THE FINANCIAL POST

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The Nation's Business

British War Orders For Canada

RECEIPT of a million dollar "educational" order for 3.7 inch field guns is a step in the right direction. If the present U. K. delegation of Canadian industrialists is successful, a representative British Commission will shortly visit Canada and pave the way for more business of this type.

Wherever possible, these orders should be placed co-operatively as between the British and Canadian Governments. In this way the maximum benefit to industry and to both Governments can be obtained.

In some quarters a malicious whispering campaign has been promoted to spread the idea that Canada has failed to get British armament business because of the Bren contract investigation. Categorical denial of this was given recently in the British House of Commons. The question was raised by Lieutenant-Commander Fletcher as to whether:

> "as a result of the Bren gun investigation in Canada, there has been any curtailment of orders for munitions, armaments or military supplies placed in Canada by His Majesty's Government."

On behalf of the Government an official denial was made in the House that any curtailment had taken place on account of the Bren contract probe.

Failure of Canada to receive a proportionate share of British business in the past can be traced directly to the indecision of the Canadian Government in respect of its defense and foreign policy and to incompetency of departmental officials.

Had a clear-cut, businesslike course of action been adopted two or three years ago, orders like the one given this week at Sorel would have been forthcoming long ago.

* * *

Management is Key To Industrial Success

THE list of Canadian industrial companies, published elsewhere in this issue, which have been able to maintain dividend payments unbroken throughout the past 10 years is impressive and thought-provoking.

The record of the 67 companies whose securities (to the number of nearly 90) have returned a dividend to the investor through each of the depression years suggests some important points for the consideration of every investor.

For one thing it is seen at once that certain groups of companies have a better chance of maintaining earnings in times of slump than others.

The food stocks are a case in point.

People must eat and drink even though their purchases of almost everything else come to a halt.

Another fact is the relative stability of public utility earnings. Had banks and trust and loan companies been included they too would have reflected unusual ability to maintain unbroken record of dividend payments.

* * *

BUT through the entire list there runs, above all, the common thread of good management.

In no other way can one explain the fact that many "consumer goods" companies are not included in the list, while at the same time many companies from industries commonly known as the "feast or famine" group have never failed to make some payment to shareholders in the 10-year period.

Consistently, when publishing its periodic reviews of Canadian companies, The Financial Post has printed the names of the men (or women) who direct and operate the business. Without knowledge concerning the directors and executive officers, the mere statistical facts about a corporate enterprise are inadequate.

* * *

Leadership —From the Rear

LITTLE praise and much scathing comment have been published by Canadian newspapers concerning Prime Minister King's speech at Toronto last week.

Opinions most generally expressed show extreme dissatisfaction at the Liberal Leader's failure to give leadership in respect of either domestic or foreign affairs.

One interpretation of Mr. King's indefinite public statements in respect of Canada's willingness to stand shoulder to shoulder with the Empire and with other democratic countries in the present emergency is that Mr. King thinks such an attitude is good politics. He is reported to have convinced himself that most Canadian voters are isolationist in their views and that the sort of side-stepping he did last week is therefore shrewd vote-catching.

* * *

Arbitrary Price-fixing in British Columbia

THE socialistic trend of government policy in British Columbia is again emphasized by recent attempts to fix an arbitrary price for gasoline.

Four years ago the province appointed a Royal Commission to probe coal and fuel prices and marketing policies. When it reported in

(Continued on page 2, col. 4)

Other Firms May Share Gun Order

Marine Industries Ltd. Gets Order for 25 Pounders

SCHNEIDER TIE-UP

From Our Own Correspondent

MONTREAL. — Marine Industries Ltd., of Montreal and Sorel, headed by Joseph Simard, has received a contract from the British Government for the manufacture of 25-pounder field guns. No details are available as to the number of guns to be made or the dollar value involved, but it is understood that the firm will have sufficient work to keep the Sorel plant busy for the next two years. Current reports put the value of the contract at $1 million.

Last month Joseph Simard announced that his firm was negotiating for war orders and that there was a possibility of a tie-up with the Schneider-Creusot firm, well-known armament manufacturers in France. About a dozen technicians from the Schneider firm will be brought to Sorel to handle the technical details involved in the manufacture of the guns, but the contract is held solely by Marine Industries and the main part of the contract will be handled by present employees of the company.

Need Larger Plant

"We shall have to extend our plant to fill the order, and are going to make a start at once," said Mr. Simard.

"There is no time limit for the completing of the contract. The raw material will be supplied in Canada and everything will be made here.

"It is quite possible that at a later date we shall have to collaborate with some existing plants in Montreal. In consequence of these negotiations and this contract, Eugene Schneider of the Creusot works in France has decided to collaborate with Marine Industries Ltd. in the organization and installation of these works.

"Just as with the aircraft order that Canadian firms are now filling, the British people will not commit themselves to guarantee a new order," he added. "They give what they call an educational order, and if it is carried out satisfactorily there are likely to be further orders —that is all."

An Interesting Angle

Eugene Schneider, of the French arms manufacturing firm, has been in Canada during the past few weeks. He has spent practically all of his time with Joseph Simard. Plant sites at Sorel have been investigated and it is understood unofficially that the British contract received by Marine Industries Ltd. may be part of a larger scheme to manufacture armaments at Sorel.

The 25-pounder is the new arm of the British field artillery and is known as a 3.7 inch gun. It replaces both the 18-pounder, 3-inch gun of the Great War and the 4.5 inch howitzer. It fires faster, and uses a heavier shell than the 18-pounder and can be elevated to as high a trajectory as the howitzer.

Union Gas Co. Net Rises for Quarter

April-June Earnings Were $278,321 Compared With $180,047

For the first three months of the fiscal year beginning April 1, Union Gas Co. reports substantial increase in net earnings, after all charges, except income tax provisions. Earnings of $278,321 were shown for the company and its wholly-owned subsidiaries at Windsor and London during this period, compared with $180,047 in the corresponding period last ear.

Figures on the same basis for 12 months ended June 30 were $1,169,978 for 1939, and $1,000,906 for 1938.

Improvement in earnings is due principally, it is stated, to colder weather prevailing in April and May of this year, compared with last year. This resulted in an increased consumption of gas for house-heating purposes. There has also been an increase in customers for the period.

Highlights

Continuous dividends have been paid for 10 years or more on 88 stocks of 67 industrial, merchandising and utility companies, it is shown in a revealing and detailed survey by the investment department staff.

Dividends for 10 Years—p. 14.

* * *

Outlook for base metal stocks holds many bright prospects, whether war comes or peace continues, it is indicated by staff appraisal of the current situation. Recent increases in base metal prices support the hope of better times ahead for Canadian producers.

Base Metals—p. 13.

* * *

Better times for Canada Cement Co., providing 80% of Canada's requirements in its field, are dependent upon recovery of more normal volume by construction activity. With building showing some signs of improvement but still lagging below desirable levels, investment opportunities of the common stock are chiefly of the long-term variety.

Canada Cement—p. 10.

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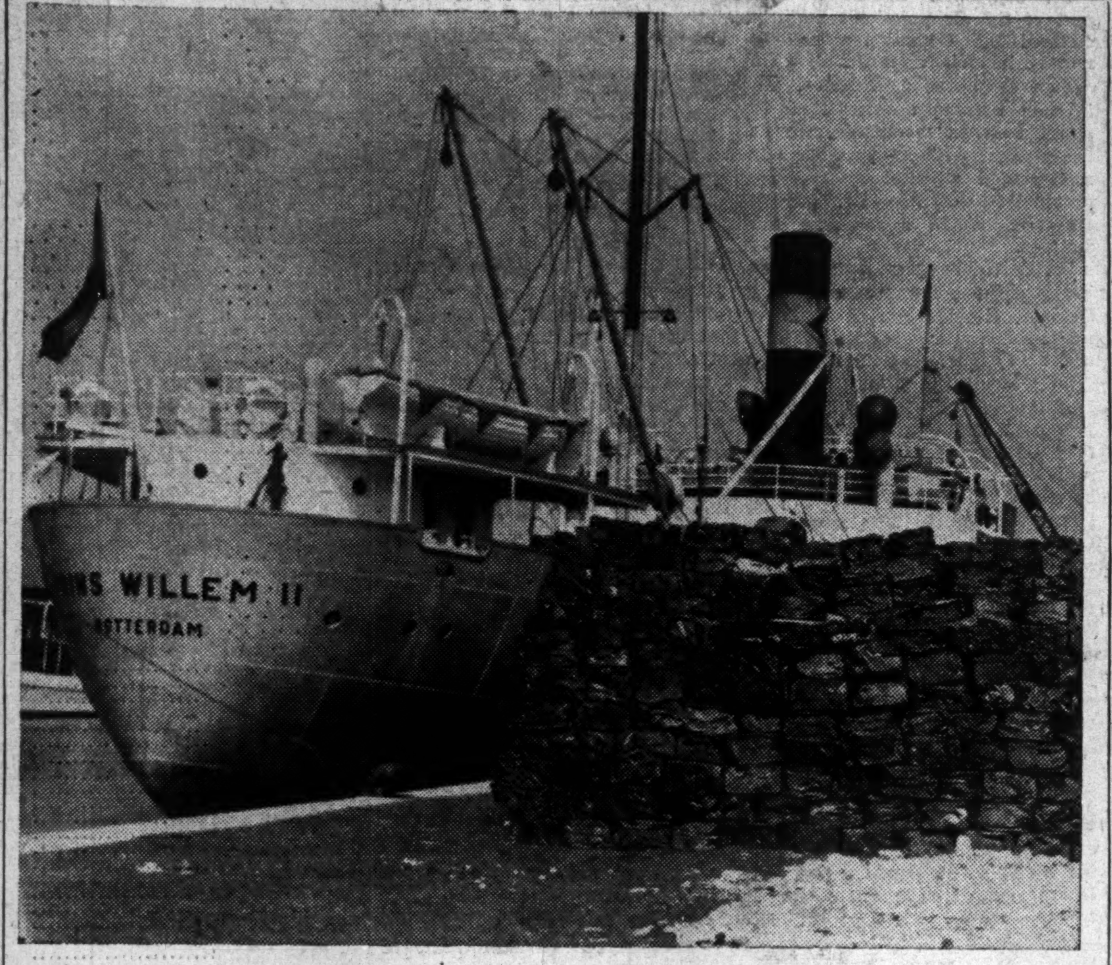
General Index on p. 2.



Scrap iron and steel is a much desired commodity in almost every country in Europe. Canada is exporting around $50,000 worth of it monthly. The Financial Post photo shows a Dutch vessel loading in Toronto harbor.

Volume of Canadian Exports Running 35% Above Year Ago

Substantial Gains Every Month This Year to U. S.

Trend of Canada's export trade is substantially upward. Every month since the beginning of the year there have been gains in shipments to the United States and more recently to the United Kingdom also. These are Canada's greatest customers, taking approximately 80% of our total exports.

While total increase in the first half of the year, if gold is excluded, is only 5% in dollar value actual volume was much greater. The average level of export commodity prices is estimated as 22% below last year which, it has been calculated, means an actual increase of about 35% in volume.

Total Canadian exports for the first six months of this year are reported at $462 millions or approximately $71 millions above last year. Of this increase about $54 millions was due to shipments of non-monetary gold, most of which has been going to the United States. If the gold exports of $58.4 millions in 1939 and $4 millions in 1938 reported by the Department of Trade and Commerce are deleted it leaves total exports of domestic produce other than gold at $404 millions compared with $387 millions last year, an increase of about $17 millions or approximately 5% or on the same price basis as last year, around 35%.

The reason for excluding gold is that comparison of the figures reported by the Department of Trade and Commerce may give a wrong impression unless underlying facts are known. In the first place the Department evidently includes as exports only gold actually mined in Canada. This throws the comparison with 1938 out of balance as far as the actual movement of gold is concerned.

Over a year ago The Bank of Canada was replacing with Canadian gold a lot of foreign gold coin and bullion which had been used formerly, it is believed, for currency backing. This was exchanged with the Mint for Canadian gold and then sold abroad. Although most of it had been in Canada so long it was thoroughly naturalized, it was still regarded by the Department of Trade and Commerce as foreign gold and so does not appear in the domestic trade returns. The Bank of Canada having completed its replacement operation has not been absorbing so much Canadian gold and as there was less foreign gold in the country, exports were largely Canadian mined metal.

Then again the Department of Trade and Commerce does not include as exports gold which may be sold to foreigners but stored in the Bank of Canada for their account. The Bank of Canada considers this as exported gold, as it is earmarked for foreign ownership, but the Department of Trade and Commerce does not.

In view of all the circumstances it is evident that comparison of trade involving gold is liable to be confusing.

The showing of exports, exclusive of gold, while not so brilliant as when they are included, is however encouraging, especially in the matter of volume. An example of the situation in this regard is had in the shipments of wheat, which in the first six months of this year were 51 million bushels against 25.7 millions last year, but the 1939 dollar value of the greater volume was

(Continued on page 2, col. 5)

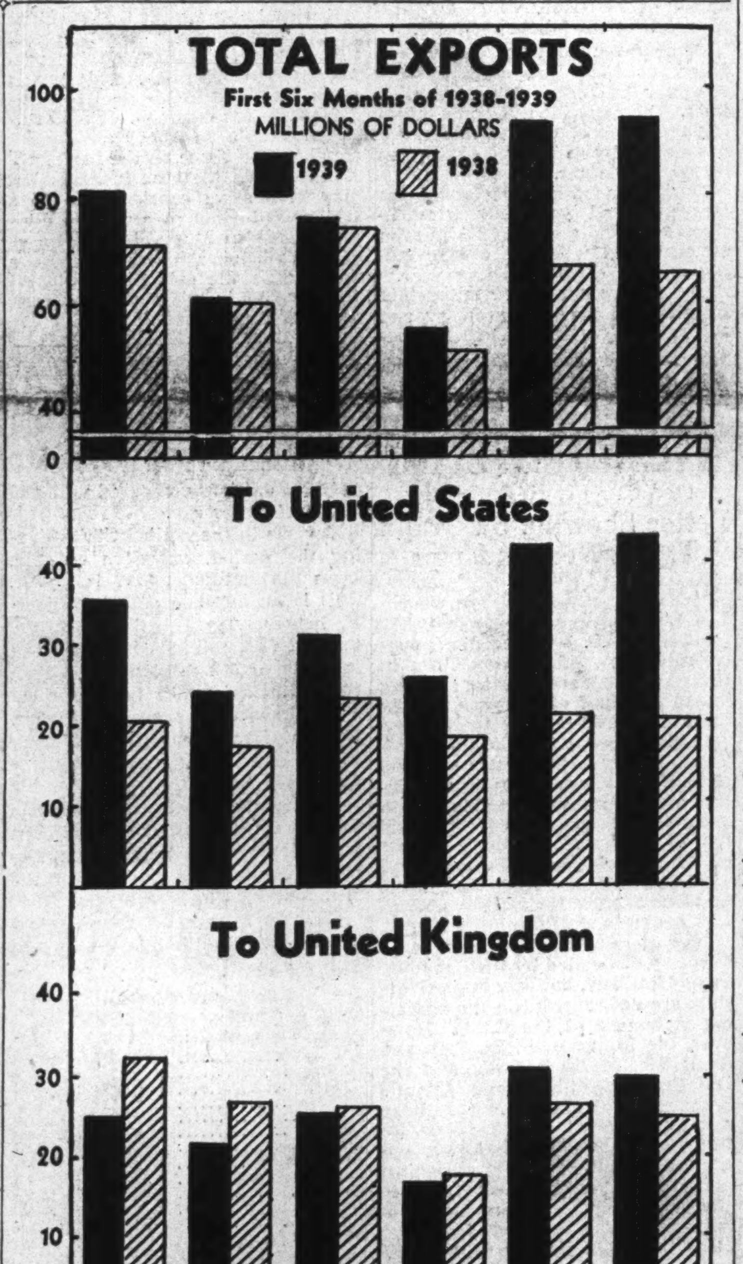


Chart by The Financial Post

Kraft Paper Industries Face Combine Charges

U. S. Actions Launched Against Associations and Companies

From Our Own Correspondent

MONTREAL.—The United States Government's anti-trust campaign has been broadened out to include a large section of the kraft paper and kraft paper container industries. This follows the recent action taken by the Government against Pacific Coast newsprint operators, including two companies operating in Canada.

A special grand jury has indicted the Kraft Paper Association and 35 member corporations; the National Container Association; 12 regional associations, and 27 member corporations; as well as a number of individuals. They are charged with conspiring to limit production and maintain prices in restraint of trade in violation of the Sherman Act.

Some of the larger firms indicted were Brown Co., Champion Paper & Fibre Co., Crown-Zellerbach Corp., St. Regis Paper Co., Southern Kraft Corp., Union Bag & Paper, West Virginia Pulp & Paper, American Boxboard Co., Container Corp. of America, Robert Gair Co., and National Container Corp. of Delaware.

Ault & Wiborg Earnings Hold

Earnings of Ault & Wiborg Proprietary Ltd., printing ink supplies, etc., in seven months of the current year have held about level with those of the same period in 1938, The Financial Post is informed by an official of the company. Sales dropped approximately 2% during the period, but expenses were pared more than enough to bring earnings up to last year's level.

June and July operating results were the best that the company has ever experienced during these months. Competitive conditions remain keen, but the company has been able to obtain its customary share of business.

This competitive position caused a decline in earnings in 1938. Net profit dropped to $170,577, against $196,124 in the preceding year, equivalent to earnings of $3.16 and $3.69, respectively, on the common shares.

U. S. Oil Move May Influence Situation Here

Canadian Interests Watch Price Cuts and Production Curb

CONTROL IS FEARED

Price reductions in Canada for gasoline and other crude oil products are very unlikely to follow the sharp cut in crude prices which has thrown the U. S. crude producing industry into near panic, and has resulted in a complete shut-down of wells in several oil fields of the United Stats. Such is the opinion executives of Canadian oil companies expressed to The Financial Post.

Whether or not there will be a reduction in the price paid for Turner Valley crude oil is still uncertain, and will probably depend to a considerable extent on price developments in Montana and Pacific coast fields. The Turner Valley price has, in the past, remained very level despite American price fluctuations.

However, even if Turner Valley crude prices were cut, fall of prices for gasoline and other products would not likely follow.

Price cutting by some manufacturers of oil products is blamed for the drastic price action. The price of oil products in many parts of the United States is said to have gone too low in relation to the crude oil price. Some cut-price producers are understood to have been able to buy crude, some of it "hot" (oil which is sold against the orders of state conservation boards) at considerably less than field prices.

Reverse of Normal

Since present development has been the reverse of normal in that it was low prices for products that produced lower prices for crude, rather than the reverse, oil company executives point out that general cuts in product prices cannot be expected.

Dramatic developments in the United States oil industry may well prove a turning point leading toward Government regulation of both production and prices some oil men fear.

The sharp reduction of 20 cents per barrel in the price of crude oil by Sinclair Prairie Oil Marketing Co., was promptly duplicated by many major companies in the eastern and southern United States.

The Texas Railroad Commission, the body in charge of oil fields in that state, promptly answered the price cut with an order shutting down Texas wells for 15 days. Oklahoma soon followed suit and it is expected that other oil producing states will join the shut-down.

Close B.A. Oil Wells

British American Oil Co. has extensive oil acreage in various United States fields, and at present about 311 wells are producing in Texas, Oklahoma, Montana, Kansas and California. Of that number of wells, 285 are in Texas and Oklahoma where the shut-down order is already in effect.

The Alberta Petroleum Association states that it does not expect the present crisis in the American oil industry to have ill effects on the Canadian industry, or to interfere with present markets for the Turner Valley product. At the same time, there is the possibility that with such a sharp cut in the U. S. crude price now in effect, pressure from crude oil buyers in Canada might reduce the price to Canadian producers.

A long series of reductions in the U. S. price has seen the Turner

(Continued on page 2, col. 3)

Mill Deal Made By Maple Leaf

Production Arrangement Replaces Plans for New Plant

In what is rated the first move in Canada to rationalize the milling industry, Maple Leaf Milling Co. has made an arrangement with Western Canada Flour Mills for the milling requirements of its markets in northern Ontario, Manitoba and eastern Saskatchewan.

The company originally intended to build a new mill, either in St. Boniface or Winnipeg, in place of the company's 3,000-barrel mill at Kenora, Ont., which was destroyed by fire. The plant was to have a capacity of 1,000 barrels and have cost $250,000.

Postponing erection of the mill, Maple Leaf Milling entered into an agreement with Western Canada Flour to mill its requirements, and the arrangement was found so satisfactory that the present agreement was made.

Because of the substantial overproduction of the milling industry in Canada, it is not regarded by milling authorities as economic to add to an already overexpanded capacity. The present move is wholly voluntary and a great deal of interest will be centred on the arrangement, as it might presage greater rationalization of the industry.

Maple Leaf Milling is experiencing much improved sales and earnings in the current year, in line with the milling industry in general. Availability of wheat at an economic price has placed exporters on a good competitive basis abroad. Harvesting of a good crop in the Canadian West will ensure continuance of the industry's favorable position.

Maple Leaf Milling has turned the $250,000, set aside from insurance received on the destroyed building, to reduction of bank loans and the company will benefit from this unexpected source of funds.

British Place Contract With Dominion Textile

"Large Drop in Bucket," Order Stimulates Activity

CONDITIONS BETTER

From Our Own Correspondent

MONTREAL.—Dominion Textile Co. reports sales are running better than average, while the plants are busier than they were a year ago.

One factor affecting operations this year is receipt of an order from the British Government. Ordinarily the company handles contracts for various departments of the Canadian Government, but this is the first time in many years that English business has gone to Dominion Textile.

No particulars are available as to the type of products ordered by the British or the size of the order. However some idea may be gained from the fact that in June the company officially stated that it had received $1.8 million of new business during the month as compared with $800,000 for the same month of the previous year. No doubt the increase was largely accounted for by the British order.

The British contract which is described as "a large drop in the bucket" was received toward the end of June. At present work on the order is about half completed.

Plants More Active

The receipt of this business, together with a good domestic demand, has enabled the company to step up operations in its various plants to about 85% of capacity. On the American standard of a 24-hour operating basis, this would be equivalent to around 60% of capacity.

As there has been no change in the price structure, it is assumed that earnings of the company are running ahead of last year in view of the larger volume of business being handled.

Adds Strength to Stock

The company's fiscal year does not end until March 31 next, so it is too early to attempt any forecast of how operations or earnings are likely to shape up for the full 12 months. For the past four months conditions have been definitely on the upgrade, so that with a normal volume of business in the balance of the year prospects look promising for a satisfactory year.

Improvement in operations and outlook for the company has been and is reflected in the better market for the company's stock. For a time the stock showed signs of weakness due to lower earnings, poor stock market conditions, etc. In the past few weeks, however, there has been a strengthening and the common is now bid at 69, compared with a low of 55 early in the year.

Hamilton Bridge Gets Big Order

Hamilton Bridge Co. has received orders for approximately 3,800 tons of structural steel, valued at $524,000, from Redfern Construction Co., which is building the new addition to the Toronto Fleet St. postal terminal, it is announced. Orders for raw materials will be approximately equally divided between Steel Co. of Canada, Dominion Foundries and Steel, and Algoma Steel Corp.

Trust & Loan Earnings Hold

Full Year's Results May Show Slight Betterment

Operating results of trust and loan companies in the year to date in the majority of cases have been closely comparable to those of the same period in 1938.

Ruling out possible effect of the Government's mortgage bank on earnings for the year, results will generally be better than in 1938, trust and loan company officers believe. In the past few years there have been only minor fluctuations in earnings of most of Canadian lending organizations.

During the current year conditions in the mortgage business have been fairly satisfactory, with collections in the eastern and central regions reported as good. Repayments have also been quite good. Operations in western Canada are not yet considered on a satisfactory basis.

The greatest problem that the various trust and loan concerns face is finding an outlet in desirable securities. The available supply of funds substantially exceeds the demand of best grade bonds and stocks.

To meet the lower return on investment portfolios, companies have been forced to lower rates on certificates and deposits.

Mortgage Bank

One of the most revolutionary events in lending companies' history has been the formation of a mortgage bank by the Dominion Government.

Since it was first proposed, companies eligible for membership have been considering the implications of the measure. The bank has been formed and the executive heads have been appointed. Staff for the organization is being brought together. What the bank will mean to the member organizations and its effect on earnings is of the utmost importance. To date no trust and loan company has signified its intention of joining the bank.

The effect that membership will have will be determined by the company's particular position. If the company has preponderantly urban mortgages, the benefits that would accrue from membership are not as great as in the case of a company holding a large number of western farm mortgages. The larger companies with Dominion-wide interest have expressed themselves as being favorably disposed to the new bank.

Conferences Continue

Organizations with urban mortgages in eastern Canada are much less likely to enter into membership.

While some undesirable features of the bill remain, it is believed that the bank will obtain a good membership. Meeting between representatives and officials are continuing and it is thought probable that within a few weeks some definite announcement on membership will be forthcoming.

There is only one province which is not likely to co-operate with the central mortgage bank in removing restrictive legislation, and this feature is not likely to prove a stumbling block to the workability of the scheme.

Trust and loan companies are awaiting to see the kind of appraisals that will be made on properties that come within the operation of the scheme. Judgment of appraisals, whether they be too high, too low, or satisfactory, will in a large degree influence decisions on membership. One of the weightiest jobs in connection with the new bank has been defining terms used in the act.

Much depends upon the Government's choice of executives. Many company officials have expressed themselves as satisfied with the choice already made.

Higher Earnings For United Fuel

Moderate Increase Is Reported for First Three Months

In the three months ended June 30, 1939, earnings of United Fuel Investments were $33,914, before providing for income taxes, compared with $26,914 for the corresponding period of last year. It is pointed out that these amounts are not strictly comparable, because of the acquisition of the distributing system of Dominion Natural Gas Co. in the Hamilton area, which took effect at the beginning of the fiscal year.

Coke sales have increased, but prices have been lower. Demand for manufactured gas for industrial purposes has declined and expenses, incidental to consolidation of additional distributing facilities, have resulted in lower earnings from the gas distributing companies.

Recent Rains Boost Crops

Wheat Harvest of 400 Million Bushels Seen Possible

From Our Own Correspondent

WINNIPEG.—Although a considerable part of the Canadian western wheat crop has been cut there is still a good deal of difference of opinion as to the total yield. Two Winnipeg newspapers last week published estimates, one of 400 million bushels, and one slightly under, with the possibility admitted in both cases of improvement if the crop still standing experienced favorable ripening weather.

Actually rains over a considerable part of the West occurred almost immediately after. Although some crops were either cut or too far advanced to be helped, there was a larger area where a difference of several bushels to the acre might easily result.

Wide Variation

The wide variation in yields between different districts, and frequent existence of wide discrepancy between the appearance of a crop and the quantity of grain being developed, have resulted in estimates of yields on small areas proving to be widely astray. In some cases farmers are discovering that yields, although disappointing, represent something better than their recent fears.

Actual or near crop failure, as described in the Prairie Farm Assistance Act, where yields are five bushels to the acre or less, is wide enough to make it possible to invoke the crop failure section of that act, which comes into effect when 135 townships in Saskatchewan are so affected. In either of the other two provinces 100 townships would be sufficient, but in those provinces such a total is not likely to be found.

Pastures Revived

Pastures, raw material for dairying and livestock, have been given a new lease of life by recent rains, a fact which tended to offset the annoyance of many farmers at having threshing operations interrupted.

Farmers in Manitoba have a new worry in that wheat which is tainted with the odor of sweet clover is being degraded, at a loss of approximately eight cents a bushel. Buyers in Great Britain have recently been complaining of such an odor in occasional shipments. In recent years the quantities of sweet clover grown in Manitoba have increased enormously, as this hay and pasture crop was found much more suited to Manitoba conditions than any other legume. As a result sweet clover now frequently grows up in fields of wheat.

It is generally believed that the sweet clover odor can be avoided by allowing thorough drying of harvested crops before threshing.

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Highest Level Since 1931 Reached by U. S. Building

Volume of urban building in the United States, as reflected by report of Dun & Bradstreet on building permit values in 215 American cities, shows an increase of 8% over the same period last year. Total of $724.1 millions is the highest since the January-July total of $800.8 millions in 1931.

Apart from New York City, where special conditions produced an abnormally high permit total last year, the United States as a whole shows a gain of over 39% in the seven months. New York's total of $140.6 millions shows a decline of 43%, mainly because of large volume of residential permits issued prior to advent of the new building code in January, 1938; and large permits issued for slum clearance projects in July of last year.

Absence of large housing projects being initiated in July, 1939, resulted in a drop of nearly 78% in New York City's July permit total, which fell to $16.3 millions from $72.9 millions in July, 1938. Despite a gain of 27% in the remaining 214 cities, the shrinkage in New York cut the grand total for all reporting cities 27% under July last year. However, the all-U.S. figure of $102.7 millions in July was the highest since July, 1930, when permits amounted to $161.2 millions.

Transport Board Hears Agreed Charge Protest

From Our Own Correspondent

MONTREAL.—An agreed charge for rail transportation of petroleum products in Ontario is being protested by the Goodrich Oil Co., of Port Credit, Ont.

Most of the oil companies operating in Ontario and four railways, the Canadian National, the Canadian Pacific, New York Central and Pere Marquette railways, have agreed to a reduced freight rate which is available to any oil company which conforms to certain conditions and ships its products by rail.

At a hearing of the Board of Transport Commissioners, the Goodrich Oil Co. argued the agreed charge had disadvantages for a small company with comparatively limited facilities as against older and better equipped firms.

A sitting of the Board in Western Canada to hear a protest against agreed charges for oil companies there is pending.

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Dairy Corp. Plan Held Up

Deadlock Forces Adjournment of Debenture Holders' Meeting

After being deadlocked for more than four hours at a special meeting this week, debenture holders of Dairy Corp. of Canada adjourned to Aug. 29, when attempts will again be made to agree upon some plan of reorganization.

A resolution calling for the appointment of a debenture holders' committee, with powers to examine the affairs of the company and report to the Aug. 29 meeting, failed to obtain the 75% majority necessary to carry it. The dissenting vote objected to vesting the wide powers proposed in such a committee.

An alternative plan, advanced by the objecting group, called for a resolution which would have appointed a committee with limited powers. It was also rejected.

A plan was presented to debenture holders, whereby assets of the company, exclusive of Canada Dairies Ltd., were to be sold to Pemberton & Son and Tanner & Co. of Vancouver for $410,000 cash and a one-third equity in the new company. This money, in addition to money received for sale of Canada Dairies Ltd. would have been sufficient to pay off all debts of the corporation. Support of such a plan was not forthcoming.

The 6% 20-year sinking fund debenture holders approved sale of Dairy Corp's subsidiary, Canada Dairies Ltd., to J. B. Robinson for $12,400 and return of a $5,000 deposit paid under a former option to John D. Reilly.

There were $147,900 of debentures represented in person at the meeting and $741,500 by proxy. Debentures amounting to $484,400, pledged as security for bank loans, were represented, but not voted.

Unless the two opposition groups come to some compromise arrangement before Aug. 29 there appears little likelihood that the debenture holders will be able to reach agreement at the postponed meeting.

U.S. Oil Move May Influence Situation

(Continued from page 1)

Valley price remain fairly constant. The Petroleum Association is understood to be watching the situation closely and to have reminded Ottawa of possibility that distress U. S. oil might soon be flooding the Canadian market. To prevent this, Canada has a Dumping Act which oil producers want to make sure will be promptly and vigorously enforced.

May be Planned Crisis

In some quarters belief is that the present drastic cut in the crude price was conceived by far-seeing oil company executives with the purpose of terrifying the industry into a realization of the peril of Government control. By creating a situation sufficiently serious to demand conscientious and general effort to find some means of self-control for the industry, it is argued that the present threat of federal control might be dispelled.

"The possibility of federal regulation of petroleum production is more imminent now than at any time since the National Recovery Act," declares the Washington correspondent of the authoritative United States oil industry trade paper, the Oil and Gas Journal.

The Cole Bill, which has been under consideration by Congress, and which will likely be one of the main issues before that body when it reconvenes, provides a broad measure of government control of production which might very well, in practice, mean price control as well.

Says the Oil and Gas Journal: "While federal control has been talked of for years and has been proposed in a number of bills in various Congresses, exactment of the new measure is more probable than any of its predecessors."

Crude Stocks Soar

The present crisis in the United States industry was precipitated by the continual increase over the past year of crude oil supplies, an increase far in excess of conceivable consumption under present conditions.

Major reason for this overproduction was the new Illinois field which has been exploited with phenomenal speed, which has proved remarkably productive, and which is uniquely well situated for marketing in the thickly populated centres of the Middle West. Aggravating the present situation is the fact that two new pipe lines from this field have just been completed to the east and farther west.

Proration or conservation measures were not established in Illinois, so that it has been running wide open, while giant wells of the East Texas field have been prorated down to as low as a slim 20-barrel-per-day allowable.

Conservation Theme

Control of crude production elsewhere in America is purely a state function with widely varying forms of control and varying efficiency. Main purpose of the Cole Bill is to give the Federal Government power to make regulations covering the industry throughout the nation. It is argued that since oil is generally sold on a national market, its production should be regulated by a national body.

Conservation is the theme being used by the Cole Bill exponents, a favorite word in the political gospel of the present administration. Some months ago, Elliott Roosevelt, son of the President, said in a radio broadcast that unless the oil business soon showed some signs of being able to run its own affairs, the Government would be forced to run them.

Tending to confirm the view that price cut may have been designed to create a crisis which would force the industry to clean house is the statement of the counsel for the Independent Petroleum Association, who said: "We know that the surest way to defeat undesired legislation is to make that legislation obviously unnecessary."

LANGLEY MEETING

A special general meeting of the preferred shareholders of Langley's Ltd. will be held Aug. 22 for the purpose of filling the vacancy on the board of directors caused by the death of F. O. Mitchell.

The Nation's Business

(Continued from page 1)

1937, some critical things were said about domestic coal companies, but bulk of the findings were to the effect that the "foreign" oil companies were the black and villainous niggers in the provincial fuel pile.

Oil companies denied a large part of the Commission's findings; claimed the Commission had ignored important testimony and drawn erroneous conclusions. But it soon became obvious that the "foreign-owned" companies were a heaven-sent political goat for narrow-minded political attack. The provincial handyman—Dr. Carrothers—was named a one-man fuel dictator.

Dr. Carrothers' first order affecting gasoline prices was made last October. It demanded cuts of three to four cents in retail prices. The order was challenged in the courts largely as ultra vires the Provincial Legislature. It is still awaiting final judgment and will be argued before the Supreme Court of Canada in October. Eventually the case will be taken to the Privy Council.

But Premier Pattullo seems impatient of legal delays. Of a sudden this month, his fuel dictator announced a new order imposing a three-cent cut in wholesale prices. An injunction restraining this order from being put into effect was obtained. This second attempt to regulate gasoline prices will be heard before the Appellate Court early in September.

* * *

EVENTUALLY the question as to how far a province can go in arbitrary regulation of a commodity which so obviously enters into interprovincial trade will be settled by the courts. Most people will agree with the commonsense view expressed last spring by Justice Alex Manson when he said:

> "If a province can by the device of price-fixing under the guise of legislating with respect to the control of a particular trade or business within the province exercise a control that will prohibit or interfere with interprovincial or external trade in that commodity, then the legislative power of the Dominion to control trade and commerce in that commodity is at an end and a fundamental and essential power of the Dominion is gone."

* * *

MEANWHILE, because British Columbia must import all its petroleum products—mostly from southern California; and because the business is chiefly in the hands of a few large corporations—mostly connected with major American oil groups—the industry has been subject to persistent and seemingly unfair attack.

The fact that the gasoline price question is already before the courts and that the new proposed price for gasoline would be actually lower than the comparable price in Los Angeles—a city of 13 times the population of Vancouver and one which sits atop its own crude supply, whereas Vancouver is 1,500 miles away—cuts seemingly no ice with the province's arbitrary price-fixers.

Apparently the province is showing dangerous disregard for the rights of those who conduct business within its borders, in order to toady to the growing undercurrent of socialistic thought that has been especially manifest in and about Vancouver in recent years.

Sherwin-Williams Reports Income Above 1938 Level

From Our Own Correspondent

MONTREAL.—Volume of business handled by Sherwin-Williams Co. of Canada, over the past twelve months, according to present indications, will produce revenues for the fiscal year ended Aug. 31 somewhat ahead of 1937-1938, when earnings from operations totalled $530,819.

Demand for paint and the various allied products produced by the company has been along favorable lines. The expansion of home building, renovations, plant additions, etc. has materially added to consumption of paint products.

During the first quarter of the present fiscal year, Sherwin-Williams reported a gain of 8% in sales as compared with the corresponding quarter of the previous year.

The gain was not held altogether by the end of the three quarter mark. Business was quiet in April due to the cold weather and late spring, but material improvement was shown from May on. At that time business was given an impetus by the Royal Visit.

It would now appear that earnings of the company for 1938-1939 will run around $9 a share on the preferred, possibly more. This would mean profits of better than 30 cents a share on the common. If the company is able to show an income equal to $9 a share on the preferred, it is possible that the management may give some consideration to a further reduction in preferred dividend arrears which at the beginning of last October totalled $12.25 a share. This the company could afford to do in view of its strong working capital position.

Branch Lines Results Better

Better Showing by Grand Trunk Western Helps C. N. R.

From Our Own Correspondent

MONTREAL. — Canadian controlled or owned railway lines in United States made a better showing in the first half of the year than in the same period a year ago.

In the case of the Canadian National Railways the better showing of its U. S. lines is an important factor in the improvement reported in gross and net revenues for the first half of the year. Operating revenues of the Grand Trunk Western lines were $2.2 millions higher than in the first half of 1938. Net railway operating income was $1.6 million higher.

Operations of three railways formerly controlled by the Canadian Pacific Railway, but now in receivership, are not reflected in the operating statement of the C.P.R. However, the Minneapolis, St. Paul and Sault Ste. Marie Railway and the Duluth, South Shore and Atlantic both report a lower net railway operating deficit. The Spokane International shows a net railway operating income of $22,010 as against a net operating deficit of $14,469 in the same period last year. Improvement was also recorded in operations of C.P.R. lines in Maine and in Vermont.

C.N.R. LINES IN U. S.
Central Vermont Railway
Six Months Ended June 30

	1939	1938
Oper. revenues	$2,700,457	$2,343,237
Oper. expenses	2,327,626	2,313,505
Net rlwy. oper. inc.	1,946	d354,447
C.N.R. Lines in New England		
Oper Revenues	$640,351	$606,140
Oper. expenses	731,390	701,254
Net rlwy. oper. inc.	d353,734	d345,674
Grand Trunk Western Railway		
Oper. revenues	$10,396,734	$8,225,452
Oper. expenses	8,741,097	8,239,038
Net rlwy. oper. inc.	483,458	d1,169,922

C.P.R. LINES IN U. S.
***Minneapolis, St. Paul & S. S. Marie**
Six Months Ended June 30

	1939	1938
Oper. revenues	$11,766,868	$10,775,463
Oper. expenses	10,588,563	10,155,257
Net rlwy. oper. inc.	d419,863	d1,154,687
***Duluth, South Shore & Atlantic**		
Oper. revenues	$940,538	$841,893
Oper. expenses	953,853	886,518
Net rlwy. oper. inc.	d128,777	d152,051
***Spokane International**		
Oper. revenues	$363,075	$335,081
Oper. expenses	302,224	305,649
Net rlwy. oper. inc.	22,010	d14,469
C.P.R. Lines in Maine		
Oper. revenues	$1,329,735	$1,419,112
Oper. expenses	1,014,462	1,151,779
Net rlwy. oper. inc.	139,522	55,196
C.P.R. Lines in Vermont		
Oper. revenues	$474,874	$391,635
Oper. expenses	631,023	649,984
Net rlwy. oper. inc.	d308,678	d414,670

*In receivership.
d—Deficit or loss.

Sobie Silk Shops Ltd. Moves Plant to Ontario

From Our Own Correspondent

MONTREAL.—Sobie Silk Shops Ltd., is moving head office and plant from Farnham, Que., to Almonte, Ont., where it will occupy the former Penman's plant. The latter has a floor area of 30,000 square feet, approximately one and a half times as large as the building now occupied.

Employment will be given to 120 hands at the Almonte plant where operations will be commenced about the beginning of next month.

Canadian Exports Above Year Ago

(Continued from page 1)

only $31 millions compared with $30 millions a year ago.

Exports to the United States during the period, exclusive of gold, were $145 millions; $117 last year. This is an increase of $28 millions. If, however, gold is included, the total of $203 millions in 1939 is an increase of $82 millions over 1938. Newsprint shipments to the United States have been somewhat higher. Certain items such as potatoes, cattle, etc., were affected by the new trade treaty.

Exports to the United Kingdom for the six months at $152 millions were down about $8 millions. Declines were shown in each of the first four months of the year.

Changes in some of the principal items for the first half of the current year are as follows:

To United Kingdom
(Thousands of Dollars)

Agriculture products:	1939	1938
Wheat	17,399	20,352
Flour	3,734	5,368
Meats	15,354	17,970
Cattle	161	1,739
Furs	5,562	5,765
Lumber	10,194	8,445
Fish	2,356	1,870
Automobiles	781	811
Farm implements	541	939
Copper	14,884	13,049
Nickel	10,521	15,014
Gold	74	3

To United States
(Thousands of Dollars)

Agriculture products:	1939	1938
Potatoes	337	151
Coarse grains	682	78
Millfeeds	1,626	6
Malt	734	585
Cattle	7,256	1,883
Cheese	195	147
Lumber	7,023	4,758
Newsprint	43,018	37,676
Gold	58,190	3,613
Aluminum	411	41
Nickel	10,058	4,364
Zinc spelter	199	49
Chemicals	3,013	2,748

New Books . . . . .

Curbing Double Taxation

PREVENTION OF INTERNATIONAL DOUBLE TAXATION AND FISCAL EVASION. By Mitchell B. Carroll. Published by League of Nations. Authorized agents, League of Nations Society in Canada, 124 Wellington St., Ottawa. Price 40c.

In this 53-page booklet, Mr. Carroll, American member of the fiscal committee of the League of Nations, records the progress made by the fiscal experts working under the auspices of the League for nearly 20 years, in reducing the serious hindrances to international economic and financial relations which are presented by fiscal barriers.

The model conventions prepared by these experts have formed the basis of nearly 60 general agreements between governments for the prevention of double taxation in regard to direct taxes; and a still greater number of special agreements relating, in particular, to succession duties, the taxation of maritime navigation concerns, and the taxation of agencies of industrial and commercial undertakings.

The author also indicates the direction which will be taken in the future work of the fiscal committee. This committtee has seen its field of activities extended by the submission to it of certain general problems, for example, the question of the technical principles applicable to various categories of taxes.

All About Commodities

COMMODITY YEAR BOOK, 1939. Published by The Commodity Research Bureau Inc., New York. Price $7.50.

This comprehensive reference work on commodities includes statistics on production, consumption, supplies, etc., and price records are presented in both chart and tabular form. In some cases the charts go back for many years. One showing the course of the wholesale commodity price index goes back 219 years and another traces the course of spot cotton prices at New York for 150 years. Over 50 commodities are dealt with in special sections.

In addition there are a number of general commodity topics dealt with such as per capita consumption and population trends, governmental activities in commodities, international control, the relationship between stock prices and commodity prices, war and commodities, foreign exchange, futures markets, etc. Its 624 pages are, in fact, an encyclopedia on commodities.

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Humberstone's Earnings Drop

Labor Troubles During Year Chief Cause of Decline

Annual financial statement of Humberstone Shoe Co., for the year ended July 31, which will appear early in October, will reveal a decline in sales and earnings, it is reported.

While demand for footwear was fair during the year, major labor difficulties kept the company's plant closed for several weeks. An agreement was reached with striking employees in November. It is believed by officials that there will not be any further labor trouble, which has hit the organization's earnings in the past couple of years.

Conditions in the shoe industry remain highly competitive and officials feel that the future cannot be forecast with any assurance of accuracy.

Dividends Reduced

In the year ended July 31, 1938, Humberstone Shoe Co. earnings equalled $1.36 on the no par value common shares, against $2.52 in the year ended July 31, 1937. In both years dividends of $2 a share were paid.

Reflecting the less satisfactory operations of the company the quarterly dividend paid Nov. 1, 1938, was reduced to 25 cents from 50 cents, paid regularly since initial payment at that rate on May 1, 1932.

Working capital has been relatively stable over the past four years and at Sept. 30, 1938, cash balance amounted to $10,800, compared with a bank overdraft of $160,700 the year before. Accounts receivable were $170,706, compared with $160,500. Inventories were down substantially at that time and accounts payable were reduced from $103,200 to $50,800.

Hold Out Little Hope For Can. Paving Holders

Seventh interim report of Canada Paving and Supply Corp., issued by Guaranty Trust Co., trustees, states: "At present we can see no hope for the holders of the second preferred and common shares of the corporation receiving anything on their investment."

After payment of the bank's claim and trustee's fees first preference shares will have to look for realization from the sale of real estate for any disbursement the report states. The dock property of the company on the Detroit river has been rented almost continuously since assignment, at $500 a month the report says. A new lease for the property at $300 a month was signed on April 1 for one year. In addition 10 cents a cubic yard of sand and gravel shipped off the dock in excess of 10-000 cubic yards will be received.

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THE BANK OF MONTREAL will be glad to discuss with you at any time the borrowing of funds for personal or business purposes.

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ESTABLISHED 1817
"A PERSONAL CHEQUING ACCOUNT FOR YOU"—Ask for booklet

Car Concerns Hold Previews

New Headlamps Offered — General Motors Has Improved Glass

Interest in automotive circles is now centred on the new 1940 models and previews of the different makes have now started. In the United States, Packard, Hudson, Nash, Willys and Studebaker have already held confidential previews. Chrysler, Ford and General Motors will unveil their new cars later.

Probable feature of some 1940 models is an example of co-operative development. This is a new headlamp system combining bulb and reflector to improve illumination and reduce glare. This development was reached through active collaboration of lamp manufacturers, car factories, the American Association of Motor Vehicle Administrators and the Automotive Safety Foundation. The new lamp means better lighting, but higher replacement cost.

For its 1940 cars General Motors has announced an improved safety glass for all models. Demonstration of what this new glass will do to improve vision was staged recently at the Libby-Owens-Ford glass plant in Toledo.

Price Cuts

Major developments as far as Packard is concerned are a further price cut, and a new system whereby the factory price includes all charges such as advertising, delivery and handling. These were formerly considered extras and billed to dealer and customer. Under the new arrangement, dealers' discounts apply to the complete price with freight and local taxes excepted.

The cut in price amounts to $21 on the Packard Six under the last 1939 quotation. According to dealers, Packard is aiming at sales of over 105,000 cars, including 95,000 Sixes and 120's.

Studebaker, which is reported to have been making an unusual record in first year sales with its new low price Champion, showed its new models this week at South Bend, Indiana. Nash broke tradition by holding its preview at Detroit instead of Wisconsin.

While settlement of the General Motors tool and die workers' strike has increased confidence considerably, possibility of further labor troubles still remains to obscure the outlook.

Financial Advertisers To Put Work on Display

An exhibit of current financial advertising will be on display at the 24th annual convention of the Financial Advertisers Association to be held at Toronto Sept. 11 to 14. It is expected that several hundred panel boards, containing advertisements published in 1939, will be shown. These include samples from every medium such as newspapers and magazines to folders. The entire membership of over 500 financial institutions is eligible to participate, but no exhibitor can submit more than five panels. There will also be numerous booths featuring printed material, etc., of interest to public relations officials.

La Luz Mines reports that the mill went into operation on Aug. 5. By the addition of a Symons crusher in October, capacity will be brought up to 400 tons per day, and directors will then give consideration to further construction which will bring capacity up to 1,200 tons per day.

Schools and Colleges

St. Andrew's College
FOUNDED 1899
An exceptional boarding school for boys
AURORA, ONT.
Healthful Altitude — 857 feet
K. G. B. KETCHUM, B.A., HEADMASTER

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Coaching College
PRINCIPAL
L. S. N. HOARE,
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Cambridge University
Matriculation Specialists
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TORONTO

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NORTH TORONTO
WHERE THE INDIVIDUAL COMPETES ONLY AGAINST HIMSELF
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APPLY TO THE SECRETARY, 21 DELORAINE AVENUE. HU. 2246

TRINITY COLLEGE SCHOOL
Separate Senior and Junior Schools
FOUNDED 1865
Tradition and Progress
PORT HOPE, ONTARIO
A BOARDING SCHOOL IN THE COUNTRY FOR BOYS
During the past five years boys from the school have won twenty-two university scholarships.
For full information please write to
PHILIP A. C. KETCHUM, M.A., B.Paed., HEADMASTER
Michaelmas Term begins on September 12th

UPPER CANADA COLLEGE
TORONTO
(Founded 1829)
Preparatory School 8-14. Upper School for Boys from 14-18.
For Boarders and Day Boys.
Boys prepared for Universities, Royal Military College and Business. Fifteen Entrance Scholarships have been founded in memory of the "Old Boys" who fell in the Great War. Special Preparatory School Bursaries are open to younger boys. Scholarship and Bursary examinations are held in April of each year.
For prospectus and further information, apply to the Secretary.
Autumn Term opens Wednesday, September 13th, at 9 a.m.
T. W. L. MACDERMOT, M.A., Principal.

RIDLEY COLLEGE
ST. CATHARINES, ONTARIO
Canadian Residential School for Boys — Founded 1889
Fiftieth Anniversary
Courses leading to Pass and Honour Matriculation, and R.M.C.
A special course for boys entering business life.
Small classes ensure individual attention.
LOWER SCHOOL for boys 8 to 14 UPPER SCHOOL for boys 14 to 18
Beautiful Memorial Chapel.
Gymnasium, swimming pool, covered rink and spacious grounds offer unusual facilities for splendid physical development.
SCHOOL RE-OPENS TUESDAY, SEPTEMBER 12th.
Full prospectus and information regarding Entrance Scholarships Bursaries and Leonard Awards sent on request.
H. C. GRIFFITH, M.A., LL.D., Headmaster

London Calling—By Atticus

Amazing Vitality of 70-year-old Prime Minister at End of Gruelling Session—Urges Empire Use for Canada's Dunning

LONDON.—There is no logical explanation for the physical condition of our 70-year-old Prime Minister. He came in to the House at the tail end of the session looking as if he had been training at the seaside for the event. His step was springy, his complexion healthy, and his manner full of quiet confidence. With a keen appraising eye he took in his two opponents, Sir Archibald Sinclair and Mr. Dalton, who led off for the Opposition parties.

Sir Archibald spoke with deliberate restraint. Lowering his voice he said that he would not refer to the past. Like a conductor determined to keep his orchestra down his very gestures indicated "Piano, gentlemen, piano." Only when the Government supporters heckled him did he abandon his quiet style and give his emotions full fling. When that flurry was over he resumed his calm dissertation on the Premier's foreign policy. Dropping the pose of orchestral conductor he gradually altered his style to that of a kindly judge doing his best to overlook the past crimes of the accused but determined to appeal to his finer instincts about the future.

* * *

Criticizes Halifax

Mr. Chamberlain, he suggested, would recollect the strong speech made recently by Lord Halifax? Good. Lord Halifax had left the world in no doubt about our determination to resist aggression. But had the jury noticed—and the learned judge took us in with a comprehensive glance—that the accused had never made a speech associating himself with the Foreign Secretary's attitude? Sir Archibald wanted to be fair. There was a gentle smile on his face which showed that he was going to retain his faith in human nature as long as possible. But really! What would the world think when the words of Halifax meant one thing and the silence of Chamberlain meant another? More in sorrow than in anger Sir Archibald asked us to consider quietly the dreadful implications of it all. Then he sat down, rather pale, and handed over the case to Mr. Dalton.

As a debating effort it was a good performance. Sir Archibald Sinclair has many detractors but he is a personality in a Parliament that is not overburdened in that regard.

* * *

Jovial Mr. Dalton

Once in these notes I likened Mr. Dalton to Torquemada. When he lowers his head and smilingly shows the whites of his eyes he seems to be taking a secret delight in the thought that the auto da fé is waiting for the heretic whom he is about to denounce. But recently this ex-page boy to Queen Alexandra, this ex-Etonian and ex-Socialist Under Secretary for Foreign Affairs has undergone a change in style. It would seem that he is abandoning Torquemada for Falstaff. His joviality is all pervading. His face is wreathed in smiles that struggle upward to the dome of his head. Once or twice when a supporter behind him helped him along with an interjection I feared that the genial Dalton would leave off and go and sit down and have a merry chat with his colleague. In fact he was so much at ease during his speech that there were moments when he made the House feel ill at ease.

The climax of Mr. Dalton's case concerned the Prime Minister and the Foreign Secretary. Beaming across the table to Mr. Chamberlain the jovial and saturnine Falstaff of the Socialists asked us to say whether or not it was a contemptible thing to have a Foreign Secretary with no mind of his own and reduced to the pitiful level of being his master's voice. Sir Archibald Sinclair nodded his agreement. Mr. Dalton smiled his appreciation to Sir Archibald. "Get on with it!" said a Government supporter. The interjection shocked us all. It was so out of keeping with the blissful accord between the Opposition spokesmen.

* * *

Chamberlain Hits Back

Mr. Chamberlain rose when his time came like a boxer who hears the gong. I realize that this account of our proceedings is becoming somewhat inundated with metaphor—but what of that? Nothing is so boring as a perfectly sustained simile or a meticulously elongated metaphor. At any rate Mr. Chamberlain rose like a boxer and we shall leave it at that. He eyed Mr. Dalton. Then he eyed Sir Archibald Sincliar. Then he led with his left and swung with his right. The esteemed Mr. Joe Louis of New York never delivered two blows with greater accuracy. Mr. Dalton had said Lord Halifax was a mere cipher. Sir Archibald had said that Lord Halifax was the dominating force and he, the Premier, the reluctant follower. According to Mr. Chamberlain these accusations cancelled each other out and revealed the confusion of his opponent's minds.

For twenty minutes he never referred to his notes. Perhaps it was the mighty roar of loyalty from his followers when he first rose that gave him extra vitality. Whatever the cause I have never seen him in such form. It was I think the best speech he has ever made in the House of Commons. My friend M. Tilea, the Roumanian Minister, told me when we lunched together later that it was a perfect example of Greek oratory. Be that as it may it was perfectly planned and perfectly executed. And when at the finish he pleaded for understanding between the nations instead of the "gruesome harvest of war" he left the House deeply moved. If the Premier does not snatch language from the stars there is never an ambiguous word nor a clumsy thought.

* * *

We Need a Rest

Some zealots feel that the House of Commons should sit throughout the summer. Others think we should report once a fortnight like men on parole. Mr. Chamberlain is not taken with either idea, and on this question, at any rate, what Mr. Chamberlain says, goes.

SIR SAMUEL HOARE

We need a rest. We are like actors in a play that has had a long run. Our costumes and our minds have lost their freshness and the audience its enthusiasm. The critics too are jaded. One of them scolded Samuel Hoare for failing to present his I.R.A. Bill in a more exciting manner. Sir Samuel did not need to bother about theatrical effects. Nothing could have been more grimly and tragically appropriate than the outrages at King's Cross and Victoria while we were debating the Bill.

The critical mind is always interesting, and at present many political commentators are both bored and jaundiced. Thus, the Home Secretary, who handled the I.R.A. Bill admirably, is accused of dullness. If ever a Minister should be cool and judicial it is in producing legislation of this character. It is true that Sir Samuel Hoare does not reproduce the spontaneity of his private conversation when he speaks in public. But in his recent speech I thought the seriousness of his manner was entirely appropriate.

Mr. Robert Hudson moved through the lobbies and the Chamber with the air of a man who finds that he has attracted the lightning and is rather embarrassed by it. Four times he has stolen the headlines: first when he announced that Britain would counter Germany's new trading methods; secondly, when he was the ringleader of the mutiny against Mr. Hore-Belisha; thirdly, when he went to Russia on a trade mission; and fourthly, when he discussed the conditions of Germany's return to economic normalcy.

For a Minister trained in diplomacy he is singularly unsuccessful in concealing his thoughts. He thinks aloud and the reverberation is embarrassing either for himself or for others. Is it inexperience or skill? Those who can reply to that question will know the answer to the riddle of his future.

* * *

Should Use Mr. Dunning

There is bad news from Canada. Mr. C. A. Dunning the British born Minister of Finance at Ottawa has finally thrown in his hand and declared that his health will not permit him to carry on. A year ago he collapsed in the Canadian House of Commons and since that time has retained office merely because of his sense of duty. When I last saw him he said to me: "I pity any politician who cannot laugh in these days. Without that the load is too heavy and the hill too long." In spite of his gaiety of spirit the burden and the hill have proved too much for him.

HON. CHAS. DUNNING

Mr. Dunning was born in the Midlands only 54 years ago. Unfortunately he contracted a heart strain from rowing and was advised to go to Canada and take up farming. There he worked under great hardships but in the struggle evolved a strength of character that eventually took him to the top. He was, I should think, the automatic successor to Mr. Mackenzie King as leader of the Liberal party, and his eventual premiership was certain. Now he must give it up. Like so many men who have served the State more faithfully than themselves Mr. Dunning has made little money for himself. There are reports that he is coming over here for a rest. I would like to think that we could eventually find use for the experience and splendid patriotism of this outstanding public figure. We have room in these islands for men who have the Empire in their blood.

* * *

From Jugoslavia

Although it is impossible to dissociate politics from anything in these days, there was a very human side to the visit to London of Prince and Princess Paul of Jugoslavia. The former Princess Olga of Greece wanted to see her sister the Duchess of Kent before she sailed for Australia, and also wished to see her son Prince Alexander, who is at Eton. I had the honor of meeting both Prince Paul and his wife recently and, like everyone else, came under the charm of these two young people who live their days in one of the troubled countries in Europe. Princess Paul has much of the beauty of her younger sister, and is a serious observer of world affairs. After all, as the daughter of the late Prince Nicholas of Greece, the niece of the late King Constantine, and the wife of the Prince Regent of Jugoslavia, she has never been far from the flash-point of Balkan politics. Her voice is arresting. It is low and soft but intense. She speaks quickly with an intimate knowledge of her subject, but when she smiles there is a faint suggestion of sadness, as if the world could have been kinder to those she loved.

I was surprised to learn from Prince Paul that he had never been to Berlin before his recent visit. "I speak German like an Austrian," he said, and then added with a smile: "But that is perhaps no drawback in Germany today." Prince Paul has the quiet force of character that comes to a man when he puts away the life he would prefer to lead and takes on great responsibilities of state. He was at Oxford before the war, and when the fighting was over he returned there to take his degree.

If he could have followed his own inclinations he would have devoted himself to scholarship, the arts and sport. Instead, the assassination of King Alexander at Marseilles called him to rule over Jugoslavia as trustee for the youthful King Peter. A word which comes often to Prince Paul's lips is "tolerance." It is the quality he admires most in men and nations. One cannot always say of princes that they have a genius for friendship. But it is true of Prince Paul.

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B. C. Packers To Pack Tuna

To Handle Popular Fish For First Time in Canada

From Our Own Correspondent

VANCOUVER. — B. C. Packers Ltd. this fall will start canning tuna, caught off the west coast of Vancouver Island.

Two converted halibut vessels have been commissioned as tuna trawlers and they are now operating about 40 miles off Vancouver Island. The extent of their catch will determine the size of the pack, which will be the first of its kind produced in Canada.

Until a few years ago tuna was regarded as a semi-tropical fish on the Pacific, but vagaries of the Japanese current are held responsible for a gradual shift in the tuna's migratory habits. As a result, large schools of the important food fish have been reported in recent seasons off the B. C. coast. U. S. fishermen have been catching tuna off the Oregon and Washington coast for several years, although about three years ago the business was confined to southern California and Mexico.

Add to Products

B. C. Packers, Canada's largest fish packing organization, had previously extended its operations into fruit packing through purchase of a cannery at Sidney, Vancouver Island.

The sockeye salmon pack has been light so far in British Columbia. At Aug. 5 total salmon pack was 376,253 cases, lightest in six years. Northern areas report a good run, but from Rivers and Smiths Inlets south fishing operations have been disappointing. Last year at the corresponding date the pack was more than 445,000 cases.

Edmonton Studies Housing Scheme

Board of Employers to Finance Scheme Proposed

From Our Own Correspondent

EDMONTON.—Proposal advanced here to ease the housing shortage in Edmonton involves organization of large-scale employers of labor into a co-operative home-building board or company, to assist employees in the purchase of modern, low-cost homes.

The plan seeks to overcome difficulties that Edmonton, along with the rest of Alberta, has faced under the National Housing Act. Lending companies persistently have refused to advance money for home-building in Alberta because of Social Credit debt legislation. Immediate need of at least 1,000 new dwellings is seen by some civic authorities.

Employers Interested

Prime mover in the proposed employer-employee scheme is Ernest Litchfield, Edmonton general contractor. Several large concerns in Edmonton have expressed a desire to co-operate in such a plan. The Dominion would be asked to assist, under terms of the Housing Act, by advancing to the Edmonton board or company of employers a percentage of the cost of homes for the firms' workers.

Despite inability to take advantage of Housing Act provisions, home-building in Edmonton has, of necessity, taken a spurt this year compared with 1938.

For the first seven months of this year the city building department has issued 208 house-building permits for total construction of $284,765. This is 51 more permits than during the corresponding period of last year and involves $82,035 more construction.

Major Housing Plans Proceeding in Toronto

Large Scale Projects Provide for 800 Dwellings

Total of more than 800 dwellings are being constructed or are definitely projected in a number of comparatively large scale, low-cost housing developments currently under way in the Toronto area. These undertakings, which involve ultimate estimated outlay of approximately $3 millions, are in addition to the substantial volume of residential construction in the Toronto district in the shape of individual units or small groups.

Total of residential building contracts awarded in Toronto and suburbs during the first seven months of the year, as compiled by MacLean Building Reports, was approximately $10.1 millions. This is an increase of 25% over the same period of 1938. The work represented by the major low cost housing developments thus amounts to about a third of all dwelling construction in progress in the area.

Most of the developments are being undertaken in the suburban districts, because of greater availability of large vacant tracts providing sites; lower labor costs; and more elastic building regulations than in Toronto proper. However, one project under way in the heart of Toronto, in a district officially rated as a "blighted" slum area, calls for eventual outlay of $500,000 and erection of possibly 200 low cost houses.

In Heart of Toronto

As announced by Samuel A. Smith, Toronto lawyer acting for a local syndicate, plans of this project involve razing of a number of slum or run-down dwellings, and their replacement by six-room houses of up-to-date design. These will be offered for sale at $3,200, or to rent at $27.50 a month.

This is quite different from proposals for low rental facilities at $12 to $20 a month usually associated with plans for slum clearance and providing housing for low wage earners.

However, if the syndicate's plans are carried to completion, they will undoubtedly clear up a blighted housing area and provide reasonably priced housing for families of modest income. But at the rates being charged, few of the people moved out of the houses being razed will be able to move back into the new houses and will likely move elsewhere to create new slums.

Apart from Mr. Smith, names of the principals in the sponsoring syndicate (known as Low Cost Homes Ltd.) have not been disclosed. Financing is being partly provided by two insurance companies, under terms of the National Housing Act. Originally, it was hoped to proceed under Part II of the Housing Act, covering slum clearance and low rental housing loans, but necessary support was not forthcoming from the provincial government or city administration.

Suburban Projects

Largest suburban project contemplates erection of 200 houses to sell at $2,500, permitting financing under the 90% mortgage provisions of the Housing Act. This is the Park Road Land Co. development in North York township, where over half the houses are already under construction. In another section of North York, the York Heights Development Co. has launched a programme for erection of 100 houses of a bungalow type to sell at $2,500.

East of the city proper, in Scarboro, the Scarboro Development Co. is proceeding with construction of 60 dwellings at the same minimum price level. Other programmes, calling for erection of groups of from 20 to 60 houses, are in progress in Leaside, East York and Long Branch.

Accountants' Body to Debate Inventory Valuation Problem

Valuation and checking of inventories, a subject in which widespread interest was aroused by the McKesson & Robbins bankruptcy in New York, will be spotlighted at the annual convention of the Dominion Association of Chartered Accountants in Saskatoon, August 21 to 24.

Extent to which the status of inventoried stocks could and should be verified by regular audits became the subject of considerable discussion, particularly among accountants, business executives and investors, at the time of the McKesson & Robbins affair. In that case the non-existence and overvaluation of listed inventories played a prominent part.

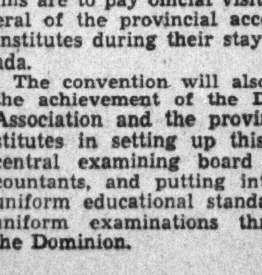
Round-table Report

At the coming convention in Saskatoon, valuation of inventories of manufacturing companies, as of balance sheet date, will be the subject of round-table debate at one of the general sessions. Delegates will give opinions as to the degree of obligation resting on chartered accountants to make complete inventory checks; their qualification to do so (a subject of some controversy); and the question of the heavy cost of making exhaustive inventory appraisals for audit purposes.

McKesson & Robbins was not a Canadian firm and its collapse did not directly affect Canadian investors. But the case focused attention on whether Canadian laws and accounting practice protected company managements and investors from such falsification and juggling of inventories. While the Canadian profession's viewpoint and the various problems involved are to be surveyed at the Saskatoon meeting, it is unlikely that any formal recommendation or decision will be registered as a result of the debate.

Visitors from Abroad

Another feature of next week's meetings will be participation in proceedings of official representatives of accountants' organizations in England and the United States. Sessions will be directed by William E. Hodge, of Moose Jaw, president of the Dominion Association. George R. Freeman, F. C. A., of London, past president of the Institute of Chartered Accountants in England and Wales, will speak on problems of practising accountants. C. W. Collins of Denver, Colo., president of the American Institute of Accountants, will address one of the sessions and take part in some of the general discussions.



WILLIAM E. HODGE

Both Mr. Freeman and Mr. Collins are to pay official visits to several of the provincial accountants' institutes during their stay in Canada.

The convention will also review the achievement of the Dominion Association and the provincial institutes in setting up this year a central examining board for accountants, and putting into effect uniform educational standards and uniform examinations throughout the Dominion.

New Building

McColl-Frontenac Oil Co. has awarded contract for erection of $60,000 auto showroom and service station on Bank St., Ottawa.

Town of Waterloo (Ont.) has had plans prepared for construction of $75,000 municipal arena.

Canadian National Railways has started work on $60,000 station at Val d'Or, Que.

Toronto interests (names withheld) have awarded contract for $60,000 restaurant and office building in central section of the city.

Stanstead College, Stanstead Que., has awarded contract at about $200,000 for construction of new main building and extension of auxiliary building.

Dominion Radiator & Boiler Co., Toronto, has awarded contract for $35,000 addition to plant.

Reported by Engineering & Contract Record:

Bank of Montreal, through Chapman & Oxley, architects, is receiving tenders to Aug. 22, for superstructure of its new 16-story Ontario head office building in Toronto. Work is already proceeding on foundations, substructure, and first three stories of steel work.

Dominion Dept of Transport will shoulder $200,000 of cost of developing airport at Windsor, Ont., to accommodate proposed service by Trans-Canada Air Lines between that city and Toronto.

Dominion Government plans to start work in the fall on reconstruction of Quinze Dam at Angliers, Que., at estimated cost of $200,000.

City of Toronto authorities have been assured of assumption by the Dominion grade crossing elimination fund of 70% of the cost of subway projects in Toronto calling for total outlay of $500,000.

Gas Price Order Ruling Deferred

B. C. Chief Justice Holds Over Demand For Injunction

From Our Own Correspondent

VANCOUVER. — Although there has been talk of a special session of the British Columbia Court of Appeal to consider the new gasoline price reduction order, it is considered unlikely that the matter will be disposed of until the regular sitting Sept. 12, to which date Chief Justice Archer Martin made a new restraining order effective.

Last October the fuel board's original price reduction order was prevented from going into effect by an injunction granted in supreme court. The order was later rescinded while legality of the British Columbia Coal and Petroleum Products Control Act was being contested in provincial courts.

Statute Upheld

In June the British Columbia Court of Appeal upheld the Act and the second fuel board order was issued as a result of that decision. However, the oil companies plan to appeal the ruling to the Supreme Court of Canada.

The companies have asked Chief Justice Martin for an injunction until the supreme court decision is reached, but the chief justice, who described the case as unique in his experience, decided to wait until his associate judges of the court of appeal met in regular session.

Canadian Car Plans For Mexico Advance

From Our Own Correspondent

MONTREAL. — Dispatches from Mexico City state that Canadian Car & Foundry Co. will start active production at its aircraft factory there in 20 days.

Among the models to be produced, it was stated, would be fighting planes having a speed of 320 miles an hour, carrying six machine guns.

Only Mexican labor will be employed at the plant.

Agent for Personal Executors

An inexpensive yet valuable service.

Crown Trust Company

Executors — Trustees — Financial Agents

80 King Street West Toronto

CANADA'S BIGGEST COOK

Overheard in Northern Ontario

MAC: "Grub like we get on this job means a lot to a man!"

TOM: "You said it, Mac! I got nothing against old-time cooks in camps I been in, but give me grub like we get now."

CRAWLEY & McCRACKEN COMPANY, LIMITED MONTREAL

New International DELIVERY TRUCKS

with All-Steel ... Streamlined METRO Bodies

Only in these two new International Trucks can you get these new Metro Bodies with double the cubic capacity of the standard panel body on the same wheelbase length. There is better weight distribution. Modern insulation throughout.

These new trucks handle easier, park easier and in less space. They are easier to work in and out of, easier to load and unload. There are wider doors, there is more headroom, the driver is farther front, the gear-shift control is on the steering column, and there is greater visibility.

Never before, to our knowledge, have streamlined beauty, increased utility, and absolute economy been combined to greater advantage for multi-stop service. See the nearby International dealer or Company-owned branch for complete details.

TWO NEW CHASSIS

These new International Trucks with Metro Bodies are new in every respect—completely International designed and built. They are not so-called body-builders' conversions.

D-2-M—½-ton chassis in two wheelbase lengths: 102-inch for the 7½-foot body, 225-cubic-foot capacity; and 113-inch for the 9½-foot body, 280-cubic-foot capacity.

D-15-M—¾ to 1-ton chassis in 2 wheelbase lengths: 102-inch for the 7½-foot body, 225-cubic-foot capacity and 113-inch for the 9½-foot body, 280-cubic-foot capacity.

Metro Magic Rear Door is standard equipment—opening 34 inches wide, 50½ inches high. Double rear doors available (as special equipment—opening 60 inches wide, 55 inches high.

See Our Exhibit at the Canadian National Exhibition Toronto August 25 to Sept. 9

Driver compartment floor clear, and level with body floor. Engine housing is flat, low, and roomy.

More room for packages — conveniently arranged for quick delivery.

INTERNATIONAL HARVESTER COMPANY of Canada, Ltd.
HAMILTON ONTARIO
Truck Factory Located in Chatham, Ontario

INTERNATIONAL TRUCKS

The VERY Idea!

If you're constantly on the look-out for the very idea that will make your home an even greater source of pleasure, visit the newly-decorated "HOUSE OF IDEAS"! Every day, enthusiastic SIMPSON customers by the hundreds are finding furnishing ideas for their homes.

You'll find "HOUSE OF IDEAS" a masterpiece of tone and color. You'll find rich effects at unusually moderate prices, proving once again that SIMPSON'S can show you hundreds of ways to furnish attractively for little money. "HOUSE OF IDEAS" has been completely redecorated and refurnished with furniture from SIMPSON'S great August Sale — emphasizing once more that good taste needn't be expensive, at SIMPSON'S. Call in soon!

FURNITURE FLOOR—THE FIFTH

Simpson's

Investment Trends

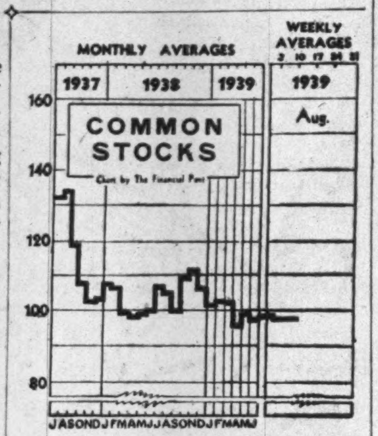
Sabres Rattling Abroad Keep Curb on Market

Foreign News Promises to be Dominant Influence for Immediate Future, Making for Narrow Trading Market — Investors Cautious

The stock market has remained sensitive and unaggressive, and traders are cautious about hopes for an upswing. Yet, while there may be no good reason for a sharp change upward, the market is in such a strong technical position that it would take some very unexpected development to cause a "break."

Foreign news promises to be the dominant influence for the immediate future so that a narrow trading market is in prospect. The headlines last week were doing their best to start another war scare, some market observers think. Once again it was evident from private cables, they say, that there was more hysteria on this side of the Atlantic than in any capital abroad. This does not lessen the effect on business sentiment or the ever-existent threat to stock prices that in turn are a vital business influence.

Nothing has been done since last September to straighten out the mess in Europe. Danzig and the Mediterranean claims of Italy remain danger points. Nor is any solution likely to be brought about before the next general election in England. If the European situation becomes more pressing then the English election may be put off until next year.



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Investor Supercautious

The stock market is ultrasensitive to European developments. It may be that the headlines in the American and Canadian papers overemphasize what is actually going on or in prospect. Indications now are that unless some unexpected incident occurs, neither Germany nor England want a war. This belief is growing slowly but steadily. It is to be found more along Wall streets and in the Canadian financial centres.

But as far as the public is concerned (and until John Doe comes into the market in a big way, one cannot expect much of a market), the European developments outweigh all other considerations. The fear of a war on the other side which would draw in Canada, and possibly the United States, has made the investor supercautious.

Both Montreal and Toronto markets take their lead from New York and, to a lesser extent, from London. Neither of the latter two markets has shown any trend of late to warrant an increase in confidence. Up one day and down the next is the usual procedure. The New York market in particular has failed to react to hopes of fall and early winter improvement. This may be due to the fact that, while business on the whole is reasonably good, there is very little improvement in the record.

* * *

Short Swings Possible

One Canadian broker, who spent the past week in New York contacting the various authorities there, brings back an interesting picture of American business affairs. One group of economists, market observers, etc., holds to the opinion that American business has touched a peak for this year and that there will not be any upswing until next March. Another group, equally emphatic, believe that the peak will be reached in October, with the upswing starting again next March.

Whether American business reached a peak at the end of last month or will reach a peak in October matters very little as far as the stock market is concerned. The fact is that all groups expect the seasonal influences to be felt on business within the next month or two. On the other hand, however, the dullness of the present summer is of such intensity that a rebound might be expected with the opening up of fall. This prospect might even assume more definite form if the European situation eases off. But any prolonged upward swing in stock market values does not appear overly promising at this time.

* * *

Deflation Trend

All opinion concurs in the belief that the processes of deflation are at work in the United States. There may be temporary spurts in the other direction, but the main trend will be the other way. The changed policy of the Government toward the WPA, the pressure to curtail government expenditures, etc., will tend to throw the ball back into the hands of private capital. Without the stimulant of government spending private business is likely to move slowly in matters involving new capital ventures.

* * *

Record Since Munich

It is nearly a year since the Munich crisis and it is interesting to observe what the Canadian stock markets have done in the interval. Take Montreal: At the end of last week the index of values of 10 utilities stood at 65.9, as against 67.2 a year ago; for 20 industrials, 71.2 compared with 81.9; 10 papers, 67.41, as against 123.95; and 15 golds, 110.28, contrasted with 126.63.

The change in the business situation has not been sufficient to warrant such declines. The fall can be attributed almost wholly to the unsettled conditions in Europe which have resulted in an almost complete lack of speculative interest in Canadian securities.

Some indication of what the market might do if Europe would settle down and try and solve its problems amicably may be gathered by the change in the index values over the past month. It should be remembered that this was a period of relative tranquility with a very limited volume of buying. During that period the utility index advanced from 64.8 to 65.9; industrials, from 70.4 to 71.2; papers, 66.76 to 67.41, while the golds declined fractionally from 110.68 to 110.28.

* * *

Technically Strong

Technically the Canadian stock markets are in a strong position. Marginal trading is lower now than it was at the bottom of the depression. This is indicated in the extent of brokers' loans. It will have been noted, too, that in spite of the extreme sensitiveness of the market to European news there has been no large volume of scare selling. On the other hand, with any buying, no matter how small the volume, it has been necessary to bid up stocks in order to fill what in other days would be regarded as a small order. And so it goes. But until Hitler and his confreres stop rattling the sword, one cannot expect much more than a narrow trading market irrespective of domestic business conditions.

LaSarre Power Plans To Raise More Capital

From Our Own Correspondent

MONTREAL.—Quebec Provincial Electricity Board has issued an order authorizing the LaSarre Power Co. to create and sell $100,000 of 4% bonds and 20,000 shares of common stock. The bonds to be sold must net the company $90 for each $100 par value of bonds sold. With each $100 bond, the purchaser is given the option of buying 20 shares of stock at 50 cents each.

The order provides that the bonds will be retired in amounts ranging from $15,000 to $18,500 a year from 1940 to 1945.

Carnation Co. is Calling 5,000 Preferred Shares

Carnation Co. has advised the Toronto Stock Exchange that in accordance with action taken by the board of directors, 5,000 first preferred shares will be called for redemption Oct. 1, from shareholders of record Aug. 5. Upon redemption of the 5,000 shares, total number of preferred outstanding will be 29,984 shares.

Significant Investors' Index Numbers

1926 — 100

No. of Securities	Mach. and equip 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Weekly Figures:												
Aug. 3	118.1	12.9	74.7	155.9	61.9	183.3	126.3	129.7	59.6	85.1	42.9	98.6
Aug. 10	116.4	12.5	76.7	154.6	61.4	183.2	124.8	127.7	59.0	85.3	42.5	97.5

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Aug. 15	112.47	121.39	89.79	27.54
Aug. 14	111.93	120.79	89.69	27.43
Aug. 12	111.32	120.13	88.61	27.32
Aug. 11	110.98	119.99	88.15	27.28
Aug. 10	111.09	120.03	87.73	27.29
Aug. 9	112.20	121.38	89.10	27.87
Month ago	114.01	122.16	89.50	28.96
Year ago	120.82	125.46	92.40	33.76
High, 1939	125.92	128.95	101.27	45.00
Low, 1939	102.52	109.85	80.75	27.28

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Aug. 15	66.5	71.8	70.0	70.77	110.71
Aug. 14	66.3	71.5	69.8	69.65	110.07
Aug. 12	65.9	71.2	69.5	67.41	110.28
Aug. 11	65.8	70.9	69.2	67.35	110.46
Aug. 10	65.7	71.0	69.2	67.56	110.76
Aug. 9	65.9	72.3	70.1	69.26	111.37
Month ago	65.9	73.4	70.9	73.34	112.39
Year ago	68.0	82.6	77.7	123.32	128.38
High, 1939	70.1	85.0	79.1	119.77	126.48
Low, 1939	60.4	66.5	65.4	[illegible]	[illegible]

Anglo Phone Offers Stock

Company Plans to Buy $500,000 of Notes of Telephone Securities

From Our Own Correspondent

MONTREAL.—Public offering of $500,000 of 5½% cumulative preferred stock of Anglo-Canadian Telephone Co., a holding company with subsidiaries in British Columbia, Philippine Islands, Dominican Republic, etc., is being made by W. C. Pitfield & Co. Ltd. and Hanson Bros. Inc.

Purpose of the issue is to provide funds with which to acquire $500,000 principal amount of 5½% collateral trust notes, due April 15, 1941, of Telephone Securities Ltd., an associated company in which Anglo-Canadian has a substantial interest.

This brings the amount of preferred stock outstanding to $4,130,000. All the stock is listed on the Montreal Stock Exchange, the new issue being called for trading on Aug. 14.

In the six months ended June 30 last, income of Anglo-Canadian Telephone Co. from dividends, interest, etc., was $330,708. General and administration expenses and taxes totalled $35,580, leaving a net income of $295,128 available for dividends on the 5½% preferred stock. This indicates that earnings in the current year will approximate the 1938 showing when net income available for preferred shares amounted to $601,914. During the past 3½ years the average annual net income has been equal to 2.59 times the dividend requirements on the amount of preferred stock now outstanding.

The new stock is being offered at $50 a share, which is par value, and accrued dividend.

Shaw. Chemicals Market Widens

Use of Resin in Safety Glass by G. M. C. of Importance

From Our Own Correspondent

MONTREAL.—Shawinigan Chemicals, subsidiary of Shawinigan Water & Power Co., stands to benefit from the development of a new safety glass by the Fisher Body division of General Motors.

A new vinyl resin plastic has been developed by Monsanto Chemical Co., Union Carbide & Carbon Co. and du Pont for use as a binder in making a new laminated safety glass. This has been demonstrated by the Fisher Body division of General Motors in Libby-Owens-Ford plant. The glass company is producing the new improved safety glass for Fisher Body for 1940 models.

The vinyl resin utilized as a plastic is the result of research development work of Shawinigan Chemicals, both as to the product and the process.

The American companies mentioned are licensees of Shawinigan Chemicals. The resin for the Monsanto Co. is manufactured by Shawinigan Resins Co. at Springfield, Mass, this being a joint enterprise of the Monsanto Co. and the Shawinigan Chemicals Co. The du Pont Co. and Union Carbide & Carbon Co. manufacture their own resin under licenses from Shawinigan Chemicals Co.

Investment Notes

Anglo-Canadian Telephone Co. application to list an additional 10,000 shares of 5½% cumulative redeemable preferred stock, of $50 par value, has been approved by governing committee of the Montreal Stock Exchange. These shares have been issued for the purpose of providing funds with which to acquire $500,000 principal amount of 5½% collateral trust notes, due April 15, 1941, of Telephone Securities Ltd. Total shares now authorized for listing are 82,600, of which all are outstanding. The shares were admitted to trading on Aug. 14.

* * *

Canadian Associated Aircraft assembly plant at St. Hubert Airport has been commenced by Atlas Construction Co. with the foundation work. T. Pringle & Son are the industrial engineers, while the contract value of the plant is set at $170,000.

* * *

Famous Players Corp. has advised the Toronto Stock Exchange that it has received payment for 6,000 common shares at $15 a share as part of an option installment of 11,000 shares, extended to Jan. 15, 1940, under agreement with N. L. Nathanson. The agreement is dated April 15, 1936. Issued capital now stands at 425,524 common shares.

* * *

Eastern Steel Products—This company's subsidiary, A. B. Ormsby, Co., Toronto, has obtained manufacturing rights for "Permatite" windows. These windows are suitable for institutions, office buildings and fine residences. They are made of aluminum or brass on all exposed surfaces and have other special features.

Inter State Royalty Reports on Revenues

From Our Own Correspondent

MONTREAL. — Inter-State Royalty Corp. advise the Montreal Curb Market that as at July 31, 1939, the company's investments in royalties had a book value of $1,147,984.

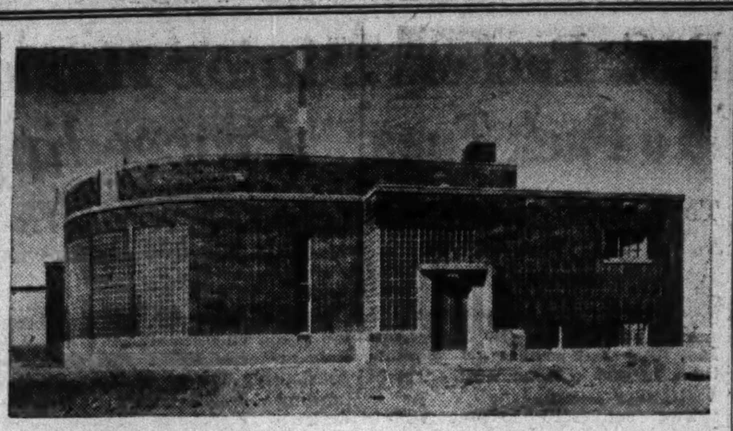
Gross revenue from royalty income since acquisition amounted to $494,566 up to June 30 and the reserve for depletion totalled $136,006 to the same date.

During June the corporation had a gross royalty income of $6,685 and accumulated gross income from this source for the first six months of $43,383.

Louisiana Land Buys 1,000 Shares of Own Stock

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. announced that during July last the corporation reacquired 1,000 shares of its capital stock. In the same month 21 shares were issued in connection with the employees stock purchase agreement. As at the end of the month the corporation held 35,544 shares of its own stock.



REGIONAL RADIO UNIT

With satisfactory results being obtained from the four regional high-power transmitting stations across the country, the Canadian Broadcasting Corp. has shelved plans for a fifth station on the west coast, where existing equipment is said to be serving the area adequately. Newest of the high-power units are CBK at Watrous, Sask., and CBA at Sackville, N.B., pictured above.

August Dividends Rise Half Million Over 1938

Dividend payments of Canadian companies in the eight months to the end of August will be down $5.9 millions from the corresponding eight months of 1938, according to estimate of The Financial Post. During that period dividends paid will total $176.7 millions, compared with $182.6 millions in the same period of 1938.

In the two previous months, June and July, dividend payments dropped off substantially, accounting for the reduction for the year to date. Payments in previous months fluctuated in a relatively small range from payments recorded in the preceding year.

In August estimated payments will be more than $561,000 greater than August, 1938.

Tip Top Pays First

Tip Top Tailors Inc., newly-formed U. S. subsidiary of Tip Top Tailors Ltd., made an initial semi-annual payment on Aug. 14. for the half year ended July 31, 1939.

Ontario Steel Products Co. paid an interim dividend of 60 cents a share on the common stock on Aug. 15, compared with a payment of 50 cents a share in the previous year.

Canadian Oil Cos. paid an extra dividend of 12½ cents a share on Aug. 15 on the common stock, along with the regular quarterly dividend of 12½ cents. The company has paid annual dividends of 50 cents on the common stock from the initial dividend paid at this rate Feb. 15, 1933.

Other extras were paid by Hollinger, of five cents a share; Privateer Mines of two cents a share, and Toburn Gold paid an extra of two cents.

A summary of dividend payments during August follows:

Monthly Dividends

	1939 $	1938 $
January	20,670,579	23,078,522
February	7,002,808	5,018,310
March	26,233,492	23,731,375
April	20,895,644	22,535,469
May	6,882,927	5,711,004
June	64,924,477	69,178,056
July	23,543,271	27,403,971
August	6,487,289	5,926,268
	176,650,487	182,582,975

Summary of August Payments

	1939 $	1938 $
Dividends	6,487,289	5,926,268
Bond interest	12,474,000	12,532,000
Total	18,961,289	18,458,268

Dividend Payments

Company:	Rate $	Date	Amount $
Ang. Can. Tel., pfd.	.68¾	1	49,912
Assoc. Tel & Tel., pfd.	.49	15	16,153
Do., $6 pref.	.42	15	19,821

Ault & Wiborg, pf.	1.37½q	1	6,780
Beatty Bros., 1st pf.	1.50q	1	15,000
Beattie Gold	.05	15	240,132
Blue Ribbon, pf	.62½q	1	18,656
B. C. Telephone, 2nd p.	1.50q	1	67,500
Brown Oil, pfd.	1.50	11	6,300
Buff. Ankerite	.25q	15	175,419
Calgary Power, pf.	1.50q	1	90,000
Canada Starch, pf.	3.50s	15	107,418
Can. Bk. of Commerce	2q	1	600,000
Can. Bronze	.37½q	1	30,000
Do., pref.	1.25q	1	9,375
Can. Inv. Fd., sp. ord.	.04q	1	86,225
Can. Investors	.10q	1	10,000
Can. Malartic	.03	4	109,540
Canadian Oils, c.	.12½q	15	17,970
Do., extra	.12½q	15	17,970
Coast Breweries	.03q	1	54,094
Commonwealth Int'l.	.04q	15	6,636
Commoil	.02½	29	24,254
Conduits National	.10	8	16,080
Coniagas Mines	.12½	10	100,000
Coniaurum Mines	.05	8	138,337
Corporate Inv., A, B	.05q	15	9,848
Cosmos Imperial, c.	.25q	15	25,000
Crown Cork	.40q	15	40,000
Distillers Seag., pf.	1.25q	1	207,000
Dominion Bank	2.50q	1	175,000
Dom. Bridge	.30q	15	154,185
Dominion Tar, pf	1.37½q	1	69,231
Gen. Steel Wares, pf	1.75	1	78,750
Guelph Carpet, pf	1.62½q	1	8,125
Gurd, Chas., pf.	1.75q	15	4,200
Hollinger Cons.	.05	12	246,000
Do., extra	.05	12	246,000
Humberstone Shoe	.25q	1	5,000
Hyd.-Elec. Secs., B p.	.25s	1	168,065
Imperial Bank	2.50q	1	175,000
Int. Metal Ind., pfd	1.50q	1	46,231
Do., pref. A	1.50q	1	21,577
Inter. Nickel, pf	1.75q	1	483,486
Inter. Utilities, pfd.	.87½q	1	88,704
Leitch Gold	.02q	15	57,000
Little Long Lac	.10	25	183,300
Mtge. Corp. of N. S.	1.50q	1	10,200
Neon Pr. Invest.	.25	11	7,151
Neon Pr. of W. Can.	.25	11	13,709
Ontario Steel	.60	15	29,064
Do., pref.	1.75q	15	6,304
Pacific Pr. & W., pr. pf.	.75q	1	2,692
Paterson, Wm., pf.	1.75q	1	672
Paymaster Cons.	.01	15	86,290
Penmans	.75q	15	48,388
Do., pref.	1.50q	1	16,125
Privateer Mine	.05q	10	122,704
Do., extra	.02	10	49,080
Prov. Transport	.20s	15	50,000
Quebec Power	.25q	15	138,299
Rolland Paper, c.	.13q	15	7,800
Royal Can. Oils	.01	10	20,904
Saguenay Pwr., pf.	1.37½q	1	68,750
St. Law. Flour	.25q	1	9,000
Do., pref	1.75q	1	10,062
Shawinigan W. & P.	.23q	15	500,997
Sherbrooke Trust	1.50q	1	4,500
Simpsons, pref.	1.25q	1	140,625
South. Can. Pwr., c.	.20q	15	80,000
Steel of Canada	.43¾q	1	201,250
Do., pref.	.43¾q	1	113,685
Sundance Rylts.	.04	3	60,000
Tip Top Tailors, Inc. p.	3	14	9,000
Toburn Gold	.02q	22	37,000
Do., extra	.02	22	37,000
United Corp., A	38q	15	20,514
Weston, Geo., pf.	1.25q	1	21,875
Wood, A. & J., pfd.	1.75q	1	11,375
York Knitting, 1st pf.	3.50s	15	5,250
Do., 2nd pfd.	3.50s	15	10,300
Zellers, pref.	.37½q	1	11,250
Total			6,487,289

q—Quarterly. s—Semi-annually.

Bond Interest Due in August

	1939 $
Municipal	1,701,000
Provincial	3,758,000
Dominion	7,014,000
Total	12,474,000

Distillers Makes Loan Agreement

Arranges for Refunding of Non-current Bank Loans

From Our Own Correspondent

MONTREAL. — A bank credit agreement with 23 U. S. banks and a five-year loan agreement with the Bankers Trust Co. and the Manufacturers Trust Co. of New York has been concluded by Distillers Corp.-Seagrams Ltd.

The five-year loan agreement is in effect a renewal of the company's outstanding loans totalling $5 millions with the Bankers Trust Co. and the Manufacturers Trust Co. The agreement provides that each of these two banks will lend the company $2.5 millions for five years at 3%, refunding similar loans which become due Nov. 2, 1941.

Up to $20 Millions

The bank credits will make available to the company a maximum of $20 millions, if needed, for carrying inventories and accounts receivable and other corporate purposes. Bank credit agreements such as this generally cover much larger loans than are actually contemplated and are arranged so as to fix terms for possible borrowings while money conditions are favorable.

It is reported that the company's borrowings under its credit agreements at as of July 31, 1939, are lower than the $3.9 millions of bank loans at July 31, 1938.

Distillers-Seagrams purchased 700 shares of 5% preferred stock in July for retirement and cancellation on account of sinking fund. This reduced the number of 5% shares outstanding to 164,900.

Photo Engravers Profits Reported Holding Steady

Business volume and earnings of Photo Engravers & Electrotypers Ltd. are holding at about the same levels as last year, it is reported.

Catalogue work has increased, but has been offset by a decline in advertising. Contract with Simpsons Ltd., and important item of the company's business, expires next year. It is believed that the contract will be renewed, the president stated at the annual meeting, but the matter of increased dividends will not be considered by the directors until this contract has been extended.

Eventual writing down of some of the investment in The Process Engravers Realty Co., real estate subsidiary, will have to be done, because of decline in real estate values. The building has been showing a small profit after carrying charges and depreciation.

Loblaw's Shows Profit Increase

Up 10.81% in Second Period, While Sales Rise 8.60%

Profits of Loblaw Groceterias Co. in the four weeks period ended July 22 showed an increase of 10.81% over profits in the corresponding period of the previous year. Increase in sales was 8.60% over the same period in 1938.

This proportionately greater increase in profits than in sales is a reversal of the trend shown over the past year. In the majority of the four weeks periods which comprise the company's fiscal year, sales, while mounting steadily, showed greater gains than profits.

The period ended July 22 was the second period in the fiscal year, and profits for the two periods increased 7.56%, while sales were up 9.45%.

Sales and Profits
Four-week Period Ended

	1939 $	1938 $	Incr. %
June 24:			
Sales	1,865,439	1,691,795	10.26
Profits	61,079	58,297	4.77
July 22:			
Sales	1,783,337	1,642,061	8.60
Profits	55,485	50,070	10.81
Eight Weeks Ended July 22:			
Sales	3,648,776	3,333,857	9.45
Profits	116,564	108,367	7.56

B. C. Peat Products Co. Makes Stock Offering

Shares of B. C. Peat Products Ltd. are being offered by A. E. Jukes & Co., Vancouver. The offering consists of 5,000 class A 7% cumulative convertible preferred shares, of $10 par value, with which will be included five shares of no par value common stock. Offering price for the preferred and bonus of five common shares is $10.

Capitalization upon completion of the present financing will be 20,000 preferred shares and issued, and 500,000 common shares authorized, of which 170,000 shares, will be issued. The preferred shares are convertible into 10 shares of common stock on or before Dec. 31, 1938. Arrangements are being made to extend the conversion privilege until June 30, 1940.

The offering pamphlet states that the company owns 1,000 acres of peat bog land and has erected a plant designed to manufacture 1,000 bales daily. The capacity may be increased to 2,000 bales.

Increases Issued Stock

From Our Own Correspondent

MONTREAL.—An additional 12,000 common shares of Fleet Aircraft Ltd. have been called for trading on the Montreal Curb Market. This stock was issued under the offering to the shareholders and the public. In all, 100,000 shares were offered and so far 70,000 shares have been issued.

Porto Rico May Sell Property

Government Now Has Power to Negotiate for Purchase

From Our Own Correspondent

MONTREAL. — The Porto Rico Government is expected to open negotiations shortly for purchase of the Porto Rico Railway, Light & Power Co., subsidiary of Porto Rico Power Co. and in turn controlled by International Power Co. Approximately $10 millions is involved.

Legislation was passed recently under which the Government would start the negotiations. The island Government will have the aid of the United States Government in effecting the purchase.

With Federal aid Porto Rico purchased the Ponce Electric Co., the island's second largest electric utility two years ago. Negotiations to purchase the Mayaguez Light & Power, the next largest, have so far failed.

Provide Wide Service

Porto Rico Railway serves more than 30 municipalities for all the public and commercial lighting and power and is the island's largest utility. The population served numbers approximately 300,000, of which 115,000 live in San Juan. The company also operates the entire tramways system in San Juan and suburbs, together with the steam railway connecting the terminus of this tramway at Rio Piedras with Paguas, 18 miles distant. In 1933 the company abandoned the electric tramway system between San Turce and Rio Piedras, due to losses incurred in operating in that section.

The company owns hydro-electric plants having a combined installed capacity of approximately 16,100 h.p. together with an auxiliary steam plant having a capacity of 7,700 h.p.

Light and power franchises in San Juan, San Turce and Rio Piedras are perpetual. Water power, steam railway and other electric light transactions extend for 99 years from 1906.

Good Earning Power

This company has a well-established earning power. There is no direct public investment interest in it. The parent company, Porto Rico Power Co., has outstanding bonds, preferred and common stock. Approximately 98% of the common is owned by International Power Co., while the bonds and preferred stock are widely distributed.

At the end of last year Porto Rico Power Co. reported current liabilities of $2,075,890 and current assets of $1,279,491. Among the current liabilities are $1.5 million of secured notes, which were to have been redeemed on May 1 last. These notes were incurred in connection with capital expenditures.

Canada Dry Inc. Earnings Higher

Net Profit Nearly Doubles in Nine-month Period

Earnings of Canada Dry Ginger Ale, Inc., in the nine months period ended June 30, 1939, were nearly double those of the same period in the previous fiscal year. Net profit was equivalent to $1.02 a share on the common stock in the nine months of the current year, against 54 cents a share in the corresponding period of the preceding year.

In the three months period ended June 30 earnings on the common stock were 59 cents, against 29 cents.

Consolidated Income Account
Nine Months Ended June 30

	1939 $	1938 $
Gross sales	11,483,501	10,945,199
Less: Cost of goods	10,470,577	10,363,687
Oper. profit	1,012,924	581,512
Add: Other income	14,753	48,703
Net oper. profit	1,027,677	630,215
Less: Depreciation	247,288	201,441
Income deductions	14,683	38,971
Income taxes (est.)	139,888	57,324
Net profit	625,818	332,479
Earnings per share	$1.02	$0.54

Consolidated Income Account
Three Months Ended June 30

	1939 $	1938 $
Gross sales	3,991,518	3,646,008
Less: Cost of Goods	3,464,949	3,391,614
Oper. profit	526,569	254,394
Add: Other income	5,364	31,467
Net oper. profit	531,933	285,861
Less: Depreciation	83,795	69,471
Income deductions	5,218	5,287
Income taxes (est.)	82,776	30,234
Net profit	360,144	180,869
Earnings per share	$0.59	$0.29

Louisiana Land Net Shows Small Decline

From Our Own Correspondent

MONTREAL.—Louisiana Land & Exploration Co. in its report for the second quarter of 1939 showed a net income of $192,823, or 6 cents a share. This compares with $228,143, or 7½c. a share during the first quarter of 1939.

Income accounts for the quarter follow:

Three Months Period Ended

	June 30 1939 $	Mar. 31 1939 $
Net oil and gas inc.	634,248	609,209
Less: Operating exps.	140,620	128,124
	493,628	481,085
Exps., taxes, etc.	253,191	223,565
	240,437	257,520
Other income	15,165	37,124
	255,602	294,644
Deprec. & deplet.	62,779	66,501
Net income	192,823	228,143
Earnings per share	0.06	0.07½

Canadian Industries Increases Dividend

From Our Own Correspondent

MONTREAL. — Canadian Industries Ltd. has declared a quarterly dividend of $1.75 a share on its common stock, payable Oct. 31 to shareholders of record Sept. 30. This compares with $1.50 a share in each of the three preceding quarters and $1.25 a share in October last year.

The increased declaration reflects improvement in sales and earnings in the current year to date. Indications are that dividends in the current year will be larger than in 1938 when a total of $6 a share was paid. If the $1.75 a share is repeated for the final quarter, dividends this year will total $6.50 a share.

A Sound Utility Bond to Yield Over 5%

Great Lakes Power Company, Limited
5% General (Closed) Mortgage Sinking Fund Bonds
Due June 1st, 1957

Great Lakes Power Company, Limited has a long and favourable record of operations as a public utility enterprise in the Sault Ste. Marie area.

Earnings of the Company for 1938, after providing for first mortgage bond interest, amounted to $468,842 compared with interest requirements of this issue of $100,000 annually.

Price: At the market, to yield over 5%

Descriptive circular forwarded upon request.

Wood, Gundy & Company Limited
Toronto Montreal London, Eng. Ottawa Hamilton Winnipeg Vancouver London, Ont.

Market Opinions

The majority of market commentators believe that the threat of war is delaying an upward trend in the prices of securities on the stock exchanges of the world. Caution toward any major market rise, however, is advised, as it is felt that this threat will depress markets for some time to come.

Barron's, New York—(The Dow Theorist)—"Under the Dow theory the primary trend is still up, though prices are somewhat below the levels at which the primary uptrend signal was given four weeks ago, an unusual situation in a bull market."

* * *

Brookmire Counselor, New York—"Although stock prices have reacted under the weight of unsettling day-to-day news, no pressure has occurred such as would imply heavy liquidation. Rather, rising business trends, plus the abundance of funds available for investment, remain favorable to resumption of the rise in stock prices."

* * *

The Economist, London—(Aug. 5) "The major factor in the month's rise is probably to be found in the market's cheerful reaction to President Roosevelt's difficulties in keeping Congress in rein. If this interpretation is correct, it deserves to be heeded; for when Wall Street plays politics, its economic judgment sometimes comes to grief. And President Roosevelt is a master in the art of turning the political tables on his opponents."

* * *

Magazine of Wall Street, New York — On domestic politico-economic factors we lean to the hopeful side, but the market is likely to remain in a cautious mood as we approach the widely heralded European crisis season."

* * *

Investors' Chronicle, London (Aug. 5)—"Past experience goes to prove that war, or preparation for war, means inflation to a greater or smaller extent. In either event a purchase, or the continued holding of equities as the recognized best hedge against inflation, seems to be indicated. On the other hand, a peaceful issue from the difficulties which have existed for so long would result in a boom on all the world's stock exchanges."

* * *

The Annalist, New York—"Thus far there is no reason to conclude that the market's reaction is anything more important than a technical correction. Volume of trading has been fairly light on the decline and no important stock has really broken badly. Some reaction was reasonable enough after an advance as substantial as that of July. Some investors have the impression that another European crisis is likely to develop rather soon and this no doubt supplemented technical influences in producing the week's decline."

* * *

The Financial World, New York—"Because of the European situation, the near-term market outlook remains obscure. But any appreciable price weakness which would accompany the outbreak of actual hostilities would shortly be followed by an impressive rise in the shares of companies which would stand to benefit from the large additional munitions orders which would have to be placed here, and most of the remainder of the market would come under the influence of the prospect for renewed world wide monetary inflation. Under the circumstances, the investor is warranted in retaining his holdings of sound stocks, while lifting of the uncertainty abroad would probably constitute a signal for resumption of active purchases."

* * *

Barron's, New York—(The Trader)—"On the precedent of a traditional August rise and the strength of the July upturn, which easily penetrated the previous June 10 "resistance level" of 140.14, the action of stocks has been disappointing for the past two weeks. Lately there has been no response to good news, in particular, the award of $100 millions government aircraft orders being completely ignored. Temporarily the speculative spark is missing, but it is to be remembered that prices have now settled back to the level from which the July take-off occurred, and which, unless business indexes are to go astray, should prove a solid foundation."

Montreal Stock Values Record Advance in July

From Our Own Correspondent

MONTREAL.—Securities listed on the Montreal Stock Exchange and the Montreal Curb Market had a value of $6,935,174,162 as at July 31, 1939, an increase of $249,250,991 from the previous month when values totalled $6,685,923,171. Compared with the end of July, 1938, the total value showed a loss of $406,922,329.

Excluding bonds the total value of stocks listed amounted to $4,905,718,429, a gain of $266,200,850 when compared with the previous month's total of $4,639,517,579. At the end of July, 1938, the corresponding figure was $5,195,719,107. The ratio of brokers' loans to the value of all stocks listed was 0.20, off 0.02 from the previous month's figure and the lowest on record since compilations were started.

Can. Assoc. Aircraft Restricts Sale of Stock

From Our Own Correspondent

MONTREAL. — Supplementary letters patent have been taken out by the Canadian Associated Aircraft Ltd., further restricting the transfer of shares. The new provisions ensure that none of the stock passes into the hands of persons who are not British subjects.

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ALUMINIUM LIMITED

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Ask for Memorandum 33

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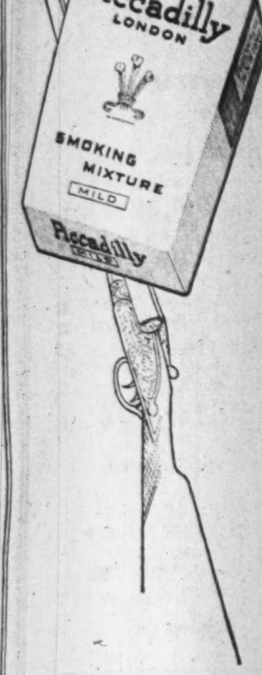
Members Montreal Stock Exchange
Montreal Curb Market
507 Place d'Armes, Montreal
TORONTO OTTAWA QUEBEC SHERBROOKE

151



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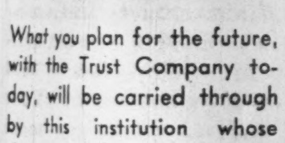
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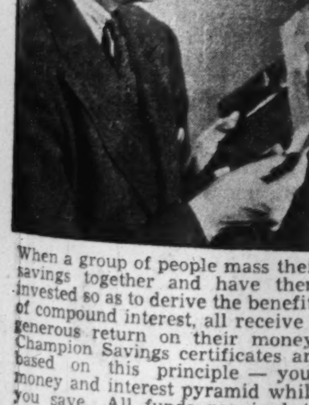
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Bond Markets

Bond Traders Cautious As Crisis Time Nears

Markets Ignore Peace-favoring Signs and Prices of High-grade Obligations Show Downward Trend in Light Dealing

Fear of another European crisis is poking its head around the corner of autumn. Bond traders have not taken alarm at the apparition, but have shied at making any commitments until the spectre has been fully revealed.

Despite a weight of evidence in favor of peace, bond markets have not displayed much enthusiasm, and prices of highest grade obligations have slid steadily downward. The decline has been without any vigor, however, and trading has been light.

There appears little reason for believing that any major movement will occur in the near future. For one thing, there is the long-discussed European crisis ahead, in the late summer or early fall. Even if this dangerous corner is rounded there is the depressing belief prevalent that the world faces a period of tension, the outcome of which can only be guessed.

* * *

English Prices Fall

While the trend of bond prices has been downward in the Dominion during the past few weeks, the downward movement in England has been somewhat more pronounced, with gilt-edged securities weakening under small but persistent selling. These obligations were crowding lows for the year.

In this decline the reasons are perhaps not difficult to find. There is, most important of all, a vast armament programme in progress, for which funds must be found. It seems almost an impossible task to maintain bond prices under such circumstances.

As England approaches nearer to inflation, if it already might not be considered on that course, equities present more attractive prospects than fixed-term securities.

Under these circumstances it does not seem surprising that the New Zealand conversion loan was not altogether a success from the public point of view. Arrangements were made by the Government with financial interests that any bonds not taken up by the public would be absorbed by the institutions.

* * *

U. S. Market

In the U. S. bond markets subnormally quiet trading has been the rule this summer. Prices of high-grade issues have exhibited little in the way of activity. In the past few days the market has eased somewhat, but observers attach little significance to the small price declines. Prices of highest grade obligations have retreated little from record highs.

* * *

All or None

The New York Curb Exchange has taken steps to divert listed bond trading from over-the-counter channels to the exchange. In a recent regulation the Curb has made it possible for either purchaser or seller to limit his transaction so that it does not apply to a smaller number of bonds than the amount specified.

The new rule permits an "all or none" transaction between the official bid and asked price. Framed to stimulate this type of deal, otherwise not possible, amounts in excess of $25,000 par value alone are permissible on this "all-or-none" basis.

* * *

Defaulted Bonds

The magnitude of defaulted bonds held in the United States is revealed in the annual report of the Foreign Bondholders' Protective Council for 1938.

Of a total of $5,528 millions, representing 637 issues of dollar bonds, $2,029 millions of principal amount (36.7%), representing 275 issues, were in default either as to interest or sinking fund, or both. National issues comprised the greatest percentage of defaults, being 40.6% of the bonds outstanding at the end of 1938.

About 33.6% of state issues were in default; of the municipal issues, 37.9% were in default and of corporate issues carrying government guarantees, 27% were in default.

There were $1,601 millions of Latin-American dollar bonds outstanding, of which 77.1% were in default. Principal amount of European bonds at the end of the year was $1,544 millions, of which 45.7% were in default. Of the $511 millions, Far East and African dollar bonds outstanding, 0.4% were in default.

* * *

Canada's Record

Canada's record in respect to defaulted bonds was not as good as the best, nor as bad as the worst. Of $1,872 millions, 4.7% were in default.

The report shows that the Council in 1938 carried on negotiations in which amounts totalling $1,453 millions were involved. Of this amount $961 millions Latin-American defaulted obligations and $492 millions European.

In the five years of the Council's existence permanent adjustments have been made with respect to $240 millions face value of bonds and temporary plans negotiated for bonds of principal amount of $1,582 millions.

* * *

Bond Index

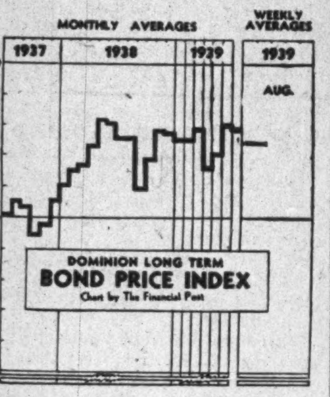
DOMINION OF CANADA
Long-term Bond Index

	Latest week Aug. 4-10	Preceding week July 28-Aug. 3	Weekly average year ago
Price	117.6	117.7	117.8
Yield	60.6	60.4	62.2

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson ..	*5%	1952	Jan. 1 '40	105
Dom. Textile	4½%	1955	Sept. 1	105
Brit. Amer. Oil .	•4%	1945	Sept. 1	101¼
B. A. Oil, s.f. deb.	4%	1945	Sept. 15	101¼
Okanagan Tel. ..	6%	1953	Sept. 1	102

* All outstanding balance. • $222,000.



Chile Extends Debt Service

Debt Service Offers Now Open to Holders of Municipal Bonds

From Our Own Correspondent

MONTREAL.—Republic of Chile has announced extension of its debt service plan to holders of Chilean Consolidated Municipal Loan bonds and City of Santiago bonds.

Previous offers of payment made by the Chilean Government on bonds of the Republic of Chile, the Mortgage Bank of Chile and the Water Co. of Valparaiso were not extended to holders of Chilean municipal bonds. The reason for this was that such offer could not be made until a registration statement had been filed with the Securities and Exchange Commission at Washington.

Holders of Chilean municipal bonds who accept the offer on or before Aug. 10, 1940, will be entitled to receive payments aggregating $39.58 per $1,000 bond, previously announced under the Chilean debt plan.

Acceptance of payments aggregating $39.58 would be in lieu of eight half-yearly interest coupons. Bondholders who do not accept the offer until after August 10, 1940, will be entitled to payments announced in years previous to acceptance. Upon acceptance of the offer, the Chilean Government becomes the sole debtor on the bonds and the original responsibility of the debtor is extinguished.

The Foreign Bondholders Protective Council Inc. has declined to approve the plan.

Railway Exchange Bldg. Plans Reorganization

From Our Own Correspondent

MONTREAL.—Bondholders of the Railway Exchange Building Co. will meet here on Sept. 7 to consider a reorganization plan.

For some years now, income of the company has not been sufficient to enable it to pay interest on its $424,000 of 6½% first mortgage bonds. In fact, interest due April 1, 1933, and later is in default.

Bondholders are being asked to cancel interest coupons due April 1, 1933, to April 1, 1939, inclusive, in consideration of a cash payment equivalent to 5% of the principal amount of bonds. They are also being requested to approve a reduction in interest to 2½% per annum for the next eight years, and a 3% rate thereafter. In this connection it is proposed that the maturity date of the bonds be extended from Oct. 1, 1942, to April 1, 1959.

Sinking fund payments due and unpaid are to be cancelled. The reorganization plan provides for a sinking fund payment of the amount by which the net earnings of the company after bond and mortgage interest, but before depreciation, shall have exceeded $2,500.

Bond Sales

Dominion Treasury Bills

Yield on Dominion of Canada treasury bills declined for the 13th consecutive time with the sale of 90-day bills, dated Aug. 15, and maturing Nov. 15.

Average discount price of accepted bills on the $25 millions issue was 99.86077, and the average yield was 0.553%. The previous sale of bills brought a price of 99.85667 to yield 0.569%.

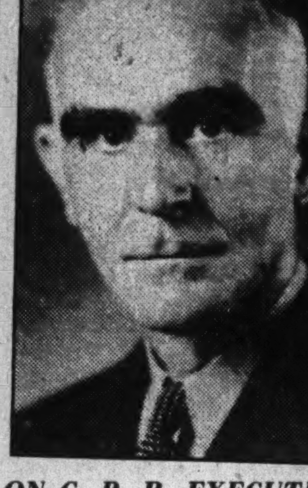
Record low yield of the bills was recorded with the issue dated June 15, 1938, when the yield was 0.465%.

Bills outstanding remained the same at $155 millions.

* * *

Goderich, Ont.

Harrison & Co. has purchased $13,200 3% 10-installment debentures of Goderich, Ont., at 100.58. Proceeds will be used for collegiate extension.



ON C. P. R. EXECUTIVE

Arthur B. Purvis, director of the Canadian Pacific Railway, who has been elected to the executive committee, replacing the late Sir Charles Gordon. Mr. Purvis is president of Canadian Industries Ltd. and director of a number of other corporations.

Bathurst's Plant To be Extended

From Our Own Correspondent

MONTREAL. — Approximately $500,000 will be spent on extensions to the Bathurst Power & Paper Co. plant this year, according to A. J. Nesbitt, a director of Bathurst and president of Nesbitt, Thomson & Co., which not long ago bought control of Bathurst from the News Print Bond & Share Corp.

Mr. Nesbitt did not enlarge upon his statement. Senior officials of the company are now in New Brunswick with Mr. Nesbitt.

Staveley Apts. Transfer Made

Toronto Apartment Property Transferred to New Company

Assets of Staveley Apartments, Toronto, have been transferred to Staveley Apartments Ltd., holders of deposit receipts of the 6½% first mortgage bonds are informed by the bondholders protective committee.

The bonds now become first mortgage, registered income bonds, according to provisions of the reorganization arrangements. There is $86,850 of the new bonds outstanding, maturing Feb. 15, 1959. These bonds, plus 1,737 shares of common stock, are available for delivery to bondholders through the London & Western Trusts Co., Toronto.

The latter company, as manager of the premises, has acquired sufficient funds to pay all receivership and legal fees, organization expenses, working capital, etc., and leave a surplus available for distribution to depositors.

For every $1,000 and fraction thereof of bonds, bondholders will receive $1,000 principal amount of new bonds, 20 shares of new capital stock and a cash distribution of $85. This distribution will be made from Aug. 15, as well as exchange of securities.

Deposit receipts should be forwarded to the Toronto office of the London and Western Trusts Co. for cancellation.

Commission to Appraise B. C. Power Properties

From Our Own Correspondent

MONTREAL.—The British Columbia Utilities Commission will shortly commence appraisal of the physical assets of the British Columbia Electric Railway Co., subsidiary of British Columbia Power Corp., according to an announcement by Dr. W. A. Carrothers, chairman of the commission.

S. R. Weston, the commission's utility engineer, will make the appraisal. Attention will first be given to the company's properties in Vancouver and the Fraser Valley.

Vickers Secures Order For Six Flying Boats

From Our Own Correspondent

MONTREAL.—Canadian Vickers Ltd. has received an order from the Dominion Government for an additional six Stranraer flying boats. The value of the order is estimated at about $1 million.

This brings the number of these all-metal flying boats ordered from Canadian Vickers to 16. To date, six machines have been delivered and the seventh will be delivered as soon as tests are completed.

This order, along with work on the Canadian Associated Aircraft order, should keep Canadian Vickers aircraft division busy for some time.

Standard Clay Closes New Glasgow Plant

From Our Own Correspondent

MONTREAL. — Standard Clay Products Ltd. has closed down its plant at New Glasgow, N.S., indefinitely, thereby throwing out of employment about 100 men. Officials of the company said the shutdown was due to lack of business.

Bond Tenders

8 p.m., Aug., 28, Rimouski—$30,000, 4%, dated July 1, 1939, maturing in 1954; $55,000, 4%, dated Aug. 1, 1939, due in 15 or 20 years. Geo. D' Auteuil, sec.-treas.

8 p.m., Aug. 28, Mun. Village of St. Gabriel De Brandon, P.Q. — $25,000, 4%, dated Aug. 1, 1939, due serially 1 to 25 years. Dr. L. Brissette, sec.-treas.

Flow of Capital To Canada Up

Six Months Securities Sales Show $30.5 Millions Increase

A substantial inflow of capital into Canada during the first six months of the current year is shown by Dominion Bureau of Statistics compilation of international trade in securities between Canada and other countries.

In the six months period sales of Canada to other countries totalled $196.6 millions, compared with $166.1 millions in the corresponding period of 1938. Purchases during six months were $137.4 millions in 1939 and $150.9 millions in the six months of 1938.

In June of the current year trade in securities was higher than in either of the two preceding months, but lower than in June of the previous year.

Sales to other countries during June was $25.8 millions, compared with $29.6 millions in May; $26.7 millions in April, and $33.1 millions in June, 1938. Purchases totalled $27.6 millions, compared with $18.7 millions in May; $21.6 millions in April and $24.9 millions in June, 1938.

U. S. Purchases Down

The United States purchased $20.5 millions of securities from Canada in June, against $23.7 millions in May; $18.1 millions in April and $27.5 millions in June, 1938. Purchases from the U. S. totalled $21.4 millions, compared with $14.3 millions in May; $17.6 millions in April and $19.5 millions in June of the previous year.

Sales to the United Kingdom were substantially less than those to the United States. In June they amounted to $2.8 millions, against $2.8 millions in May; $3.3 millions in April, and $3 millions in June, 1938. Purchases from the U. K. by Canada was greater than purchases made by the U. K. in Canada. In June purchases from the U. K. were $5.2 millions, compared with $3.5 millions in May; $3 millions in April, and $4.3 millions in June, 1938.

Provincial Light Calls Bonds for Sinking Fund

From Our Own Correspondent

MONTREAL. — Provincial Light, Heat & Power Co., subsidiary of Montreal Light Heat & Power Co., has called for redemption on Sept. 1 next, at 105 and accrued interest, $63,000 of its 5% first mortgage bonds. This is in connection with the current sinking fund requirements.

Following the redemption of these bonds the company will have outstanding in the hands of the public $214,000 of funded debt.

Newfoundland Revenues Down $157,218 in July

Newfoundland's Commission of Government reports a drop of $157,218 in revenues in the first month of the current fiscal year, while expenditures increased by $205,422.

Revenue receipts in July totalled $783,565, compared with $940,785 in the same month last year. The decrease is largely due to lower collections by the assessor of taxes. Customs receipts were down only slightly and revenue from posts and telegraphs and natural resources were higher.

Revenue and Expenditure
Month of July

Revenue:	1939 $	1938 $
Customs	619,455	620,556
Posts & telegraphs ...	60,446	54,009
Assessor of taxes	36,381	200,132
Natural resources	18,294	6,840
Other revenue	48,989	59,248
	783,565	940,785
Expenditure:		
General	1,103,767	898,345

Canadian Cottons Ltd. Adding Filtration Plant

From Our Own Correspondent

MONTREAL.—Canadian Cottons Ltd. is having a $25,000 filtration plant erected at Hamilton for the purpose of treating and softening the water in Hamilton Bay for dyehouse use and service water in their factory. The plant will have a capacity of 800 gallons per minute and equipment will include a 100,000-gallon settling basin, a 100,000-gallon filtered water reservoir, two gravity sand filters, automatic coagulate feeds, and automatic rate controllers.

Texas Newsprint Mill Job Ahead of Schedule

From Our Own Correspondent

MONTREAL.—Present indications are that Southland Paper Mills new plant at Lufkin, Texas, will be able to start production about the beginning of December. Actual construction began in February, and the work is far ahead of schedule. The last of the steel framework on the mill, which occupies a 200-acre site, was put in place last week. The brickwork is about 70% completed and machinery is being installed.

Initial output of the plant, according to Ernest L. Kurth, president, will be 1,500 ft. of paper per minute. Within five years, he predicts, the plant will have increased its capacity threefold and will be exporting newsprint to South America.

U. S. Paper Industries Topping 1938 Volume

From Our Own Correspondent

MONTREAL. — Production of paper and paper board in the United States during the first six months of this year totalled 6,656,740 tons, or 19% more than was produced in the like period of last year, according to a report released by the Department of Commerce.

This year's production was only 10% lower than the peak production of 1937 and exceeded by 17% the production during the first six months of 1938.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Mun. Parish of St. Joseph de la Rivieres-des-Prairies, P.Q. ...	Aug. ...	Banque Can. Nationale and Desjardins & Couture	4%	1940-61	$22,000	98.42	.....
Victoriaville, P.Q.	Aug.	Banque Can. Nationale and Desjardins & Couture	3½%	1940-49	11,000	99.68	.....
Goderich, Ont.	Aug.	Harrison & Co.	3%	10-ins.	13,200	100.58	.....
Dominion—							
Canada Treasury Bills	Aug.	....	....	Nov. 15-'39	25,000,000	99.86	0.553%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Class	Amount	Price	Yield
Modern Containers	Aug.	Johnston & Ward	5½%	Pref.	3,000 shs.	.....	.....
			....	Com.	25,000 shs.	.....	.....

Newsprint Trend Flattens Out

Gain Over Last Year Maintained—Returns For July Conflicting

From Our Own Correspondent

MONTREAL.—Newsprint operations in Canada last month flattened out. This was in line with expectations. Production totalled 227,630 tons. It was around 13,000 tons less than in the previous month, but some 25,000 tons more than in July last year.

On the surface these figures would indicate that the industry is maintaining the improvement noted earlier in the year. Compared with July, 1938, the returns are satisfactory, but the drop from June to July in production was contrary to the seasonal trend. Between June and July, production normally increases.

Output Up; Stocks, Too

Operations in the Newfoundland mills were along normal lines, production increasing to 25,795 tons, as against 22,937 tons in the previous month. Compared with July last year, production last month was nearly 5,000 tons greater. Mill stocks increased in the same ratio, so that the net position of the Island mills did not undergo any improvement.

The high rate of production noted in the American industry for some months past tended to slow up in July. The amount of newsprint manufactured was only 74,932 tons, or 5,600 tons less than the preceding month. However, compared with July last year, American mills produced some 11,700 tons more; a creditable showing in view of the fact that consumption of paper in the American market for the first half of the year was on about the same basis as a year ago.

Ahead of Last Year

Taking North America as a whole, the newsprint mills turned out 328,357 tons of newsprint. This contrasted with 344,044 tons in the previous month and with 286,796 tons in July, 1938.

Canadian mills, says the News Print Service Bureau, produced 106,277 tons more in the first seven months of 1939 than in the same period of 1938, which was an increase of 7.3%. Output in the United States was 89,588 tons or 19.6% more than in the first seven months of 1938; in Newfoundland 11,085 tons or 7.3% more (identical with Canada), making a total increase of 206,950 tons, or 10%.

Reserve of Capacity

In its summary of the newsprint situation for July, the Newprint Association of Canada, notes that Canadian shipments amounted to 221,743 tons, an increase of 16,253 tons or 7.9% over July, 1938.

Shipments represented 63.6% of Canadian capacity, against 60.4% a year ago and 64.1% in the previous month.

Sales to United States and Canadian customers continued to show gains over 1938, while overseas shipments, says the association, were almost identical with July of last year.

Production last month represented 65.3% of Canadian capacity against 59.6% a year ago.

Operating Ratio 65.3%

As a matter of interest following are the operating ratios of Canadian mills for each month of the current year, with comparative figures for 1938:

	†1939	*1938
January	59.8	65.4
February	60.0	62.0
March	58.6	61.0
April	63.4	56.8
May	66.4	58.7
June	66.4	57.0
July	65.3	59.6
August	...	60.0
September	....	68.2
October	...	72.0
November	...	69.3
December	...	59.3

†Annual capacity on 308 day basis, 4,293,361 tons.
*Annual capacity on 309 day basis, 4,204,200 tons.

Supply and Demand

The majority of newsprint mills on this continent continued to produce more than the market required. At the end of July mill stocks totalled 302,980 tons, a net increase of 10,985 tons over that reported at the end of the previous month and more than 30,000 tons greater than reported a year ago.

During the past month the two Newfoundland mills added 5,520 tons of paper to their supply on hand, bringing stocks up to 83,923 tons. This is abnormally high for the Island mills, particularly at this time of the year when open navigation should bring about a lowering of surplus stocks.

Canadian mills continued to "build up" stocks in July by increasing their supply on hand from 196,164 tons to 202,051 tons, a net gain of 5,887 tons. While high, this reserve is not dangerously so and, production kept in hand, should tend to fall off in the next few months if the usual seasonal trend is followed.

American mills are not carrying any more stock than they have to. Their supply declined last month by 422 tons to 16,584 tons. This is the lowest figure reported in many months.

Market Trends Noted

In respect to shipments an analysis of the returns shows an interesting number of sidelights on the different markets. Canadian publishers took 15,296 tons last month. This was less than 1,000 under the June returns, but nearly 2,400 tons more than in July, 1938.

To date this year Canadian publishers have taken an appreciably larger tonnage than in the same period of 1938. The figures are: 107,695 tons, as against 88,054 tons. There is no particular reason for this showing, as the figures on advertising, etc., would not indicate such a sharp increase in demand for paper.

The American market for Canadian newsprint softened last month. Shipments, at 158,770 tons, were over 13,000 tons more than a year ago, but were almost exactly 15,000 tons less than in June. As mentioned elsewhere the usual seasonal trend is for shipments to the States to increase from June to July, which makes the past month's returns all the more interesting. Whether or not they portend anything out of the ordinary will not be known until the year is more advanced.

Distinctly encouraging, as far as Canadian mills are concerned, was the increase in deliveries overseas. Exports last month totalled 47,677 tons. This was a few hundred tons more than in July, 1938, but more than 5,000 tons above June.

British Prices Drop 60 Cents

From Our Own Correspondent

MONTREAL. — Minimum contract price for machine-finished newsprint for 1940 delivery, according to reports from London, has been reduced by 2s. 6d. to £11 2s. 6d. per long ton, compared with the current price of £11 5s. from April 1, and £11 10s. during 1938.

The reduction, it was explained, was made possible because newsprint makers were able to fix raw material contracts for 1939 on more favorable terms.

According to dispatches, newsprint makers are faced with severe competition. This is especially true concerning Canadian newsprint in foreign markets. In the meanwhile, foreign raw material suppliers are raising their quotations on the ground that they are not making profit on their 1939 contracts.

Newsprint Scoreboard

(January to July)
CANADA

	1939 Tons	1938 Tons
Production	1,568,694	1,462,417
Shipments	1,528,081	1,335,989
Canada	107,695	88,054
United States	1,167,766	967,596
Overseas	252,620	280,339
NEWFOUNDLAND		
Production	163,909	152,824
Shipments	126,729	124,750
Newfoundland	363	328
United States	44,548	28,015
Overseas	81,818	96,407
UNITED STATES		
Production	546,820	457,232
Shipments—Domestic*	548,397	449,780

*Small tonnage exported.

NORTH AMERICAN MILL STOCKS
(As at July 31)

	1939	1938
Canada	202,051	179,282
United States	17,006	22,557
Newfoundland	83,923	70,741
Total all mills	302,980	272,580

KEY FIGURES ON AMERICAN MARKET
(Six months ended June 30)

	1939	1938
Apparent consumption	1,738,510	1,726,943
Source of supply—		
United States	468,483	376,511
Canada	1,008,996	822,278
Europe	159,387	117,508
Newfoundland	38,783	22,414
Reserve supply	62,861	388,232
Publishers' stock of newsprint§	338,503	437,153
North American reserve† §	630,498	724,601
United States advertising linage‡	614.5	606.3

§As at June 30.
†Includes mill and apparent supply of all American publishers.
‡In millions of lines, for 52 cities excluding New York.

Sources: Newsprint Association of Canada; News Print Service Bureau; American Newspaper Publishers Association; Media Records Inc.

Beaverbrook Has Reserve of Paper

From Our Own Correspondent

MONTREAL. — Canadian-born Lord Beaverbrook's London Daily Express has now in hand, in warehouses or on order and in transit, a stock of newsprint worth £250,000. In order to minimize risk of damage the stock is stored away in many parts of England.

"I estimate that the stock of newsprint enables us to print the newspaper for a year on reduced sizes," said Lord Beaverbrook in a signed article in his own paper. "While the Daily Express does not expect war and predicts peace, there is every intention of limiting the net sale to 2,500,000 copies until the European situation clears up. At the same time we make every provision to supply those 2,500,000 copies to our readers even if war breaks out."

During June the Daily Express had a net sale of 2,557,963 copies daily.

Brompton Pulp Replaces Two Sulphate Digesters

From Our Own Correspondent

MONTREAL.—Brompton Pulp & Paper Mills has placed a contract with Dominion Bridge Co. for two digesters for installation at the East Angue Mill. These digesters will replace two already in service for the manufacture of sulphate pulp. The units are fabricated and shortly will be installed.

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TORONTO, AUGUST 19, 1939

The Financial Post Editorial Platform for Canada

The duty of political leaders is to lead; to give direction to public opinion; to act with courage in matters of public policy; to combat inertia in the conduct of the nation's business.

The Financial Post stands for LEADERSHIP of this kind in Canada.

Such leadership is essential to preserve our free and democratic institutions. It is urgently needed, now, in Canada, in order to:

1. *Eliminate waste in public business.*
2. *Put idle resources of manpower and materials to work.*
3. *Maintain financial integrity in meeting public and private obligations.*
4. *Promote a spirit of national unity in place of conflicting sectional loyalties.*
5. *More efficiently organize Canada's trade.*

Public Spending

GOVERNMENT spending is often argued as necessary for the revival of private business. But such claims ignore the purposes for which most public spending is used.

The bulk of this money—over a billion dollars last year—is for non-productive purposes. True, much of it circulates into consumer and capital goods channels but once spent it leaves no earning power in its place.

And this temporary stimulus to business is merely redistribution rather than the creation of new wealth. There remains also a permanent liability in the form of public debt for every dollar spent by governments over and above income.

Governmental projects to increase national income through new, productive enterprise that will show a profit as well as liquidate the investment are few and far between. Most of the so-called "controllable" public spending is made for reasons of political rather than economic expediency. Its effect on national productivity compares unfavorably with corresponding amounts spent by private enterprise.

The direct route toward restoration of national prosperity is the exercise of political leadership in eliminating waste and political expediency in public business and in the balancing of public budgets. With this as a starting point the way would be clear for political leaders to facilitate and co-ordinate job-making opportunities in private enterprise.

Such policies would give more jobs for unemployed; would create more wealth and prosperity for the country as a whole than could ever be achieved through continued, debt-creating expansion of public spending.

National Transportation Policy

EDITORS of Fortune Magazine held recently a round-table discussion on national transportation policy and the railroads. The sponsors found this the knottiest problem yet tackled. On some matters agreement as to future policy was reached. On others there was disagreement.

There was general agreement that the heart of the problem was to "increase railroad earnings without doing an injustice to any form of transport or imposing a heavier transportation cost on the country as a whole."

In short, they recognized that a sound national transportation policy should place not only railroads but other forms of internal transport on an equal basis as far as regulations and governmental subsidy was concerned.

Agreement was also reached on the need and possiblity for making extensive economies. Estimated savings of between $200 and $300 millions through consolidation and coordination were envisaged. It was felt that ways and means of increasing railroad revenues would be insufficient to put the railroads on a healthy basis unless lower costs of operation were achieved. Specific suggestions for savings included joint terminal services, co-operative handling of package freight, a freight-car pool, a central accounting clearing house, and mass production of cars and locomotives. Reference was made to the British amalgamation plan and agreement reached that British carriers "would not have been able to meet the rising costs of labor and of materials except for the savings arising out of amalgamation."

There was disagreement as to what should be done about railway wages. It was agreed, however, that "the refusal to adopt necessary reforms in the railroad structure in order not to injure certain workers or other vested interests is likely merely to produce new bankruptcies and, therefore, increase unemployment." It was agreed that under existing conditions railroad labor is continually losing ground.

Any constructive approach to a national transportation policy which would aid in restoring prosperity to railroads is of tremendous interest to Canada. Canada has poured at least $6.5 billions into various forms of transportation. Two thirds of that investment has little chance of proving profitable unless immediate steps are taken to tackle the transport problem as a whole and to increase rail revenues and efficiency.

Contrary to the general view, there need be no defeatism in a solution of this problem. A courageous, non-political national transportation policy for Canada might well require for modernization alone a very substantial and profitable investment of money, materials and human resources.

Vote-catching Boomerang

FOLLOWING a suggestion of co-operative action by three prairie province governments for handling farm machinery, the Aberhart Government has stepped boldly forward and promised to supply farm machinery repair parts at a saving of 15 to 35%. It is said to have bought 25,000 of these parts for distribution this season at Calgary, Lethbridge, Red Deer and Edmonton.

This prompted the editor of the Innisfail Province to find out from the four machinery agents in his town how many parts they carried in stock. Each one carries regularly some 6,000 parts—a total of 24,000. Almost daily, they are reported as ordering replacement stock from their company distributors.

If this large investment is needed to meet farmer needs in the single farm area of Innisfail, how effectively will the Alberta Government order fill the demands of the whole province?

It is not good enough, of course, to keep on hand the parts of new machines. Harvesting would get nowhere fast if parts of machines not now manufactured but still in use were not available promptly.

Most government ventures into the field of business prove a costly experiment for taxpayers. But the Innisfail Province sees more than monetary grief ahead. It prophesies:

> "Premier Aberhart in this last venture into the field of business has certainly laid the foundation for an endless amount of grief. As a vote-catcher it will prove a boomerang, as no one can ever forget or forgive one who supplies him with a wrong part for his machine or delays the operation of the machine in the busy season."

Export Opportunities

COMPARED with five years ago the annual pack of canned fruits and vegetables in Canada has almost trebled. It is now greatly in excess of the peak levels reached prior to the depression.

Analysis of this industry made recently by the Bank of Nova Scotia points out that this gain parallels closely the increase in exports to the United Kingdom. Expansion of the industry in Canada has coincided with an expanding market in Britain. Largest single item in this export trade is tomato products, which is the mainstay of the vegetable canning industry. Canada is now reported as taking 20% of the British tomato market as compared with 1% in 1930.

Currently Canadian exports of tomatoes are experiencing severe competition in the British market. In part this is due to factors of demand and supply; in part to the handicap which the Canadian product must overcome because of the fact that the Canadian product does not conform to the type of tomato chiefly in demand, namely a solid, fleshy type.

To meet this situation, Canadian producers in co-operation with the Government are doing two things. On the one hand they are constantly aiming to develop tomato products which will meet the peculiar preferences of the British appetite. At the same time they are carrying on well-directed publicity to stimulate the sale of the Canadian product and to educate the British consumer to its merits. Over a period it is hoped to develop a demand and preference for Canadian type of tomatoes in place of the present British appetite for solid, fleshier varieties.

Depressed conditions in Canadian industry are traceable in large measure to disappearance or decline of export trade. On the other hand scores of industries are finding that there is still a substantial overseas market for their goods if they persistently and intelligently cultivate these export opportunities.

Self-government in Newfoundland

IN MANY respects the Commission of Government has failed in its onerous task of solving Newfoundland's problems. Most Newfoundlanders are dissatisfied with the results obtained to date. Yet the agitation of Sir Alfred Morine for restoration of self-government is undeserving of public support.

Eventual restoration of responsible government may be a desirable goal, but Newfoundland is not ready for such a move. There is no reason for believing the economic position of the island would be improved thereby. In fact, if the island had to stand on its own feet it would probably be worse off than it is today.

Sir Alfred is critical of the Commission of Government. He believes it has failed. True, it has not solved the island's economic problems, but could responsible government have made even as much progress as the Commission? The Commission is not an autocratic body. It is always open to suggestion. It has sought the co-operation of the business community. Its aim has been to seek solutions for both immediate and long-term problems.

Financially, Newfoundland is not in a position to support self-government. Ever since the Commission of Government took office Newfoundland has been receiving large grants-in-aid from the British Government. The British taxpayer is providing generously to rehabilitate the economy of the island. Without this expenditure, conditions would be much worse than they are. Sir Alfred suggests the British Government should assume Newfoundland's debt. Even if this were done, revenues of the Government would be insufficient to cover expenditures. Just why the British taxpayer should assume Newfoundland's debt as a permanent burden and then let the colony adrift again, is not quite clear.

Another suggestion is that a corporation be created to develop natural resources with its own funds. This suggestion has merit, provided a corporation willing to undertake such a task can be found. Newfoundland has valuable natural resources but until the whole economy can be placed on a sounder, more profitable basis it may be difficult to interest new capital in the way Sir Alfred suggests.

Sir Thomas Inskip, Secretary of State for Dominion Affairs, will visit Newfoundland shortly to study conditions at first hand. As a result of his visit, there should emerge more leadership in meeting Newfoundland's difficulties and a better understanding between the two countries.

Sir Thomas should also investigate the possibility of giving Newfoundlanders a greater say in the government of their country.

The Canadian Editorial of the Week

About Immigration

Calgary Herald

With renewed knocking at Canada's doors by Europeans who seek entry and ultimate citizenship, the question of immigration comes once more to the fore. Since August, 1930, entry has been barred to all excepting Britishers and U. S. nationals unless they were wives or unmarried minors joining their family heads in Canada, or agriculturists with sufficient money to establish themselves as farmers.

At that time jobs were scarce in Canada and it seemed good business to limit immigration of the type which might easily make them even scarcer for Canadian people. The plan seemed to work all right, there being an immigration drop from 165,000 in 1929 to 11,000 in 1936. Today, however, there is a suspicion it wasn't the plan, but a different cause for the tremendous decline.

Since 1930, if not before, Canada has not appeared an alluring prospect for employment hunters. At the same time there has been an employment boom in European countries, largely due to war scare offensive and defensive activities.

Might it not be that our restriction regulations of 1930 were not altogether in our own best interests and that a critical study of results since that date might indicate desirability of well-planned revision?

To say the least it seems illogical that we, a population of little more than 11,000,000 people, should attempt to maintain as a sort of private preserve more than 350,000,000 square miles of what is admitted to be the most potentially valuable territory in the known world. We cannot realize to the full these potential values for ourselves alone. As sensible to try to lift ourselves by our own boot straps.

Foreign capital seeking investment in industrial fields in Canada should be welcomed with open arms, even though it comes into competition with established Canadian industry.

Editorials in Brief

Substituting for Premier Hepburn at the King Anniversary banquet at Toronto, Campbell Calder, president of the 20th Century Liberal Association of Ontario, made the shortest speech of the evening. His 12-word contribution was:

> "Liberalism is a wide idea as splendid in Ontario as anywhere else."

How much more splendid it would be if Premiers King and Hepburn were agreed as to its application.

* * *

Halifax Herald complains because of the lessened public interest in what it terms the "long and costly deliberations" of the Rowell-Sirois Commission.

The two-year period which this body has been at work and the expense involved would be a small matter if there were any hope that Canadian political leadership were to make use of the report (assuming it is a good one) once it is published.

Planning a general election without the report suggests that the present Government lacks the courage to take a firm stand toward modernizing our Dominion-provincial relationships. Canada can ill afford to wait much longer for political leadership that will assert itself on the vital questions being deliberated by this body.

Sayings of the Week . . . .

"Canada is a very difficult country to govern." —*Rt. Hon. W. L. Mackenzie King.*

* * *

"I would not be out here if I did believe war was imminent."—*Lord Beaverbrook.*

* * *

"I don't think Mr. Aberhart will return more than five seats at the next election."—*J. J. Bowlen.*

* * *

"I believe that substantial savings can be effected in the cost of government."—*President Roosevelt.*

* * *

"By turning people's minds to productive pursuits, the tractor will prove an instrument for peace."—*Henry Ford.*

* * *

"Our much vaunted democracy is government of the intelligentsia by the morons."—*Jameson Bone, Mayor of Belleville.*

* * *

"If I understand Mr. King aright, the fire chief should never tell his men or the public what he would do in the case of a fire." — *A. Beverley Baxter, M.P.*

* * *

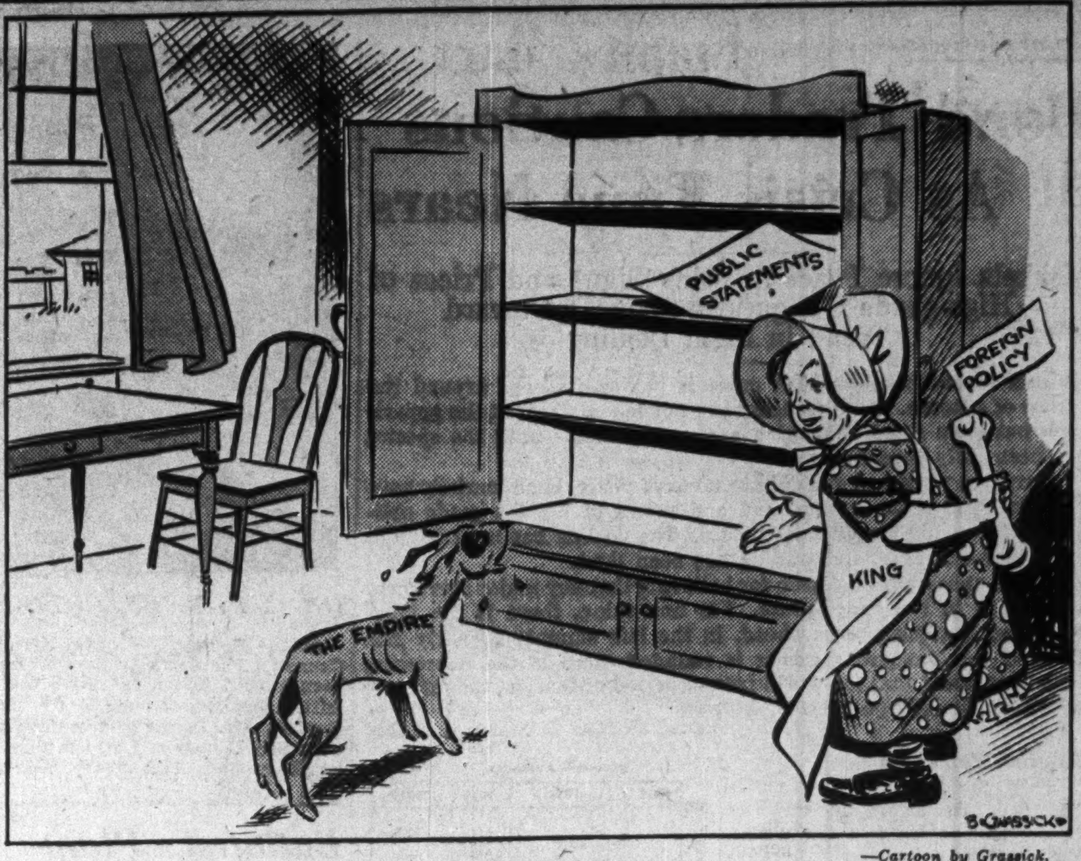
"I can recall my father cautioning me to stay out of politics and at the same time telling me that 'that boy King' would be Prime Minister, some day."—*Premier T. D. Pattullo.*

* * *

"The constitution of the country, when it is studied, will soon be seen to be the palladium of its liberty, the bulwark of its freedom."—*Rt. Hon. W. L. Mackenzie King.*

* * *

"If any man came and asked me to sell one square inch of the Sussex Downs he would get very quickly into the train—if he were able to sit down at all—to take him back to London."—*Duke of Norfolk.*



—*Cartoon by Grassick.*

OLD MOTHER HUBBARD

Post-Scripts . . . .

Coleman's Halliwell

At Niagara Falls the other day the Canadian Weekly Newspapers Association chose a westerner, Tom Halliwell, as president for 1939-40. Mr. Halliwell has a 35-year record of pioneering in Saskatchewan and Alberta to his credit. Since 1927 he has been editor and owner of The Journal in Coleman, centre of Alberta's coal mining industry.

H. T. HALLIWELL

Born in London, England, he came to Canada in 1903 after serving his country in the South African War. He settled at Oxbow, Sask., and was later identified with the publishing business at Estevan and at Weyburn.

Members of the C. W. N. A. were reminded of Mr. Halliwell's South African war record when they visited the World's Fair at New York last week. On one occasion they were entertained at the Sulgrave Club in the Merrie England Village. This is a private club of Englishmen headed by Earl of Gosford. Both the Earl and Mr. Halliwell were at the head table and found they had much in common as Boer War veterans.

* * *

Out in western Canada Mr. Halliwell has a reputation for amiability and courage. He has had some doughty opponents in recent years, including communistic elements in his own community and more recently the fight of the Alberta weekly newspaper publishers against Aberhartian press control. As president of the Alberta branch of the C. W. N. A. during this difficult period Mr. Halliwell was the storm centre of this battle which ended so successfully for democratic principles and freedom of the press.

Speaking with candor at the convention Mr. Halliwell remarked that, "The Aberhart Government at last has realized that it does not pay to antagonize the press." He pointed out that the Government had appointed a publicity commissioner to establish friendly relationships with the newspapers, but added: "We have always played the game, even when the 'Socreds' came in."

Mr. Halliwell is married and has four daughters, two of whom are married. His youngest daughter is associated with him in the Coleman Journal and accompanied her tall, rangy, square-jawed father to Niagara Falls.

* * *

F. A. A. in Canada

When members of the Financial Advertisers Association meet in Toronto on Sept. 11, it will be the first time in the association's quarter century of history that an annual meeting has been held in Canada.

G. LORNE SPRY

Credit for bringing this important body to this country goes to G. Lorne Spry, advertising manager, the Huron and Erie Mortgage Corp. and the Canada Trust Co. of London, and general chairman of the Toronto committee in charge of convention arrangements. Mr. Spry has represented his company at F. A. A. meetings since 1926. In 1932 he became a Canadian director. Nearly a month ago, advance reservations and registrations from F. A. A. memberships all over the United States for the Toronto meeting were the highest on record.

* * *

It is almost certain that Mr. Spry will persuade some of his F. A. A. friends to visit London while they are in Canada. Few people know that city better than he does. He was, in fact, born on the main business artery—Dundas Street—about five doors east of his company's present head office building.

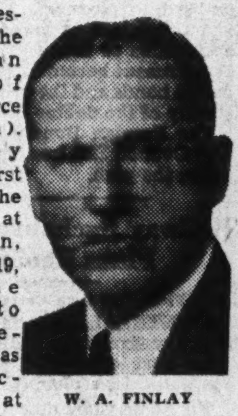
After leaving collegiate, he gained his business training in a variety of ways—all of it in and about London. For two years he was with the Canada Life Assurance Co.; for 12 years with the advertising firm of McConnell and Ferguson Ltd. (now McConnell Eastman and Co.). When he left there in 1915 he was office manager. For two years he was in the animal and poultry food business with W. A. Jenkins Manufacturing Co. of London. After that he was auditor (1918-1920) for two organizations not usually linked together — the Incorporated Synod of the Diocese of Huron and the Carling Brewing Co.

Mr. Spry has three grown-up boys, all of whom are graduates of the University of Western Ontario. His hobbies are golf, bridge and fishing—provided the latter can be done without spending too much time in any one spot.

* * *

Old Standard Bank Boy

When a young fellow named Wesley A. Finlay from Gorrie, Ont., entered the service of the old Standard Bank of Canada in 1906, he probably had dreams of the success he would achieve in that institution. He certainly never thought that some day he would be going to San Francisco as president of the Canadian Bank of Commerce (California). Wesley Finlay's first job with the bank was at Consecon, Ont. In 1919, he came to Toronto from Belleville and was made accountant at the main Toronto branch of the Standard Bank. In 1923 he became assistant manager of that branch. In 1927 he was manager of the branch at Yonge and Adelaide Streets, Toronto, remaining on there after the Standard was absorbed by the Canadian Bank of Commerce in 1928. A year later he was taken to the main Toronto office of the bank as assistant manager. He has been there ever since.



W. A. FINLAY

* * *

Mr. Finlay combines two important characteristics of knowing his banking and being of a friendly disposition. He makes friends readily and manages to keep them. He is an enthusiastic golfer and this summer came through the golf tournament of the Canadian Bank of Commerce with the low gross score, his tally being in the seventies.

Mr. Finlay and his wife are looking forward to living in San Francisco, even though their daughter will remain in Toronto for another year so as not to interrupt her schooling.

* * *

Milk and Lettuce

A. J. Nesbitt, head of the investment banking firm of Nesbitt, Thomson & Co., and associated with a large number of enterprises in this country, has just returned from London. He is reported by the English papers to have been in England for the purpose of interesting English capital in the construction of an oil pipe line from Turner Valley to the Great Lakes. Big figures are mentioned, such as £7,000,000 . . . . 60,000 barrels a day . . . 1,200 miles of pipe line, etc.

All of this is typical of the energy and vision which "A. J." usually puts behind any enterprise in which he becomes interested. But those who know his abstemious habits will evince more interest in the following:

"The story goes," says the dispatch, "that once he went in with a friend to Boodle's Club in London and, for lunch, asked for a heart of lettuce and a glass of milk. The steward, it is said, had to send out for the milk."

Big Ben in Toronto

If you stroll, on one of these pleasant summer days, in the Toronto garden of Hon. J. Earl Lawson, M. P., who last week announced his retirement from Federal politics, you may pause for a moment to rest yourself on a stone garden bench. And you are little likely to realize that that bench sits there "as one new risen from a dream"; that it carries with it the glory that was London and the grandeur that was France (if we may paraphrase Edgar Allan Poe). For on that bench all English history is inscribed.

HON. EARL LAWSON

In 1934 Mr. Lawson was in England. One day, standing with Sir Howard d'Egville on the terrace of the Parliament Buildings beside the Thames, he watched workmen engaged in replacing the stone decorations of those storied towers with new and harder carvings. Lying about were the weatherbeaten gargoyles and decorative motifs that had had to be removed because age had made them too dangerous to hang over the heads of the nation's law makers. Mr. Lawson wondered if he might not have a few of these stones. He negotiated on the spot with the contractor, who sold him (at 2s. 6d. apiece) a rose, a thistle, a fleur de lys, a shamrock and a gargoyle that had just been removed from below the clock tower of Big Ben.

The 12s. 6d. had multiplied twenty times before packing, express and other charges had been paid and the stones reached Toronto. Mr. Lawson turned the four flower pieces—representative of the four races that make up the British people—over to a contractor who promised to make of them a garden bench. The bench was months in process of manufacture. Mr. Lawson could never get a satisfactory response when he impatiently asked why the bench was taking so long to make. Finally it arrived and he had his answer. His contractor friend (the late George Oakley, M.P.P.) had sent to France for the cover stone. He had had it carved from the quarry at Arras whence came the stone that rests over the grave of the unknown soldier in Westminster Abbey.

* * *

The Lawson home is rich in similar objects of historical interest. One of the most interesting—and one of the smallest—is a snuffbox.

Seven generations ago there was a Dr. James Lawson who was a lawyer and Dean of the Glasgow law school, carried on in the sacred halls of old Glasgow cathedral. At that time an old oaken beam pillar of enormous size had to be replaced. Dr. Lawson's students carved a piece of oak from the beam, had it made into a snuffbox, affixed to the box a silver inscription and presented it to their beloved teacher. When the pillar came down it had already been standing for 700 years and the still visible growth rings indicated that the tree from which it was hewn had been planted before the birth of Christ. All of which is recorded with dignified good humor in the graven inscription.

Dr. James Lawson, in his will, provided that the snuffbox should pass from generation to generation to each succeeding eldest son, but only on condition that the eldest son should be named "James." Each succeeding generation has faithfully named the eldest son James. James Earl Lawson is the first one since Dr. Lawson to be a lawyer. His own son, too, has been named James.

Stop Me If . . . .

The farmer's son decided to become a lawyer. His father drove him to town and got him a job as an office boy with a legal firm. Three days later the young fellow was back home again.

"Well, Billy, how did you like the law?" his father asked.

"It ain't all it's cracked up to be," said the boy. "I'm sorry I ever learnt it."

In the Mail . . .

Montreal's Terminal

Editor, The Financial Post:

The blood pressure of the writer, a businessman for many years in the City of Montreal, rises to a dangerous extent when I read your justifiable criticism of the C.N.R.'s proposed diversion of $12,000,000 (it will be more than that in the end) to the sink-hole on Dorchester Street, Montreal, in a building scheme that very few, if any, taxpayers of the City of Montreal desire.

From the beginning it has been condemned as a substitute for what Montreal taxpayers actually want, which is nothing more nor less than a combination station with provision for both railways. Toronto has been given this convenience, as well as Ottawa and Quebec.

The present levels of the rails at the C.P.R. station are such that they can be used without any change for receiving and departure of western traffic, the streets are all bridged and ample room available. By the expediency of a lower level for railways south, east and north, linking up can be done with the "hole in the ground" at but moderate cost of construction, whereas to get a direct routing of trains to the west the C.N.R. would have to get a right-of-way over Dorchester Street, Dominion Square and all points west; in other words, the "hole in the ground" is below the level of the C.P.R. tracks.

You say: "To be quite candid, there is a deep-seated suspicion that the proposed terminal is a political project as well as an economic one." Should you not have used the words: "is a political project and not an economic one"? I would add that as a taxpayer it seems a good deal more than a mere suspicion, having in view the many protests from all sources that have been lodged with the Government against the politicians' ill-advised scheme.

The writer has no sympathy with party politics, nor does he hold any brief for or shares of the C.P.R., though he does admit an admiration for the economical and efficient manner in which that railway is operated. But what is the use of bringing protests to the Government, seeing that my vote counts less with the Government as a taxpayer than does the vote of the non-taxpayer.

DISGUST.

Montreal.

As Others See Us . . . . .

Unpalatable

Sydney Post-Record

The Financial Post is one trade journal which is not greatly taken with the idea of a "National," or "Union" or "Coalition" Government as a cure for Canada's ills or as a means of solving its problems. "'Union' Government," it says, "is a form of totalitarian or Fascist Government. Recourse to National Government assumes either a breakdown of the two-party system, or an emergency so grave that a virtual dictatorship is necessary."

Coalition will come, when and if a crisis dictates such a remedy. And then it will be an unpalatable hash.

Should Visit Canada

Listowel Banner

The president of The MacLean Publishing Company, Horace T. Hunter, in a special article from London in The Financial Post makes an excellent and practical suggestion. He believes that some members of the British Cabinet should visit this country to secure first-hand knowledge of Canada and the Canadian people. Mr. Hunter maintains that few men prominent in public life and well-informed on British policy have made such a visit. By his position King George was precluded from discussing questions of government. Earl Baldwin on his recent visit refrained from any comment Since the visit of Their Majesties the British people are better informed about Canada than they ever were, but the suggestion that a Cabinet minister be sent to give public addresses and meet the leaders in Canada is an excellent one. A better understanding would be secured and there would be more goodwill.

They'd Never Get Elected

St. Thomas Times-Journal

In paying a tribute to the late Sir Charles Gordon, and referring especially to his work during the war at considerable personal sacrifice as deputy chairman of the Imperial Munitions Board and later as Director-General of War Supplies for Great Britain at Washington, The Financial Post says:

> "Today—without waiting for the outbreak of war—Canada should be making much greater use of the abilities of men like Sir Charles in seeking and finding a solution to the many problems which face the nation."

How true this is. Men of Sir Charles's type would be great administrators. But matched against our politicians in a contest for votes and public favor, they would be fortunate not to lose their election deposits. Oh for a system that would let the politicians win the elections and then turn the administration of the country's affairs over to capable businessmen.

Fighting Radicalism

Glace Bay Gazette

A national government is recommended in some quarters as an offset to the current radicalism. National government usually means a government of the two major parties merged temporarily for a special purpose. The assumption is that radicalism is a dangerous element in the body politic and should be combatted. Radicalism, however, is a rather vague general term and if it connotes something politically extreme it does not follow that there is necessarily anything subversive or dangerous in it, unless the danger is to the old parties. For that matter there is nothing to prevent either of the major parties from adding some very radical planks to their platform. As The Financial Post says, if Conservatives and Liberals amalgamated into one party the Socialist and Radical groups would naturally unite into an opposition, and could even look forward to the time when they would be asked to form a government. Hence the proposal to form a national government might eventually bring about the very condition which it was designed to avert.

Week in Business

Broad Foundation Laid Of Good Fall Business

Agricultural and Industrial Conditions Promising — Existing Clouds on Horizon Drift from Europe — Expansion in United States Encouraging

At this time of the year, no other single factor in the whole Canadian business situation is the subject of so much attention as the western wheat crop. Canadian prosperity still rises and falls with it. Consequently, day to day reports are watched closely. In spite of the heavy damage now admitted, no estimate has yet been heard placing the crop at lower than average, while most are above that level.

Hence while some farmers will undoubtedly be hard hit, even to the extent of virtual crop failure, over the West as a whole the crop will be large. More than that, there will be no lack of feed for livestock, a factor of which the importance is readily apparent to those who remember the years when the western cattle had to be shipped away because of lack of fodder. The drought cycle now seems to be definitely ended. These conditions in the West and satisfactory agricultural conditions in other parts of Canada point to substantial buying power by the agricultural community in the fall months.

* * * *

In the urban centres there has also been improvement. The somewhat better construction volume, with all the wide ramifications of the industry, means employment for many people in various lines of production. If maintained and extended it would give a much needed fillip to the heavy industries, which have been lagging. Industrial employment generally, according to latest statistics, has been showing some improvement. In foreign trade the outlook is promising, a continuation of the increase in our exports being indicated by the improved conditions in the United Kingdom and the United States, our two best customers.

Domestic trade has been satisfactory. Reports from retailers indicate that business has been steady with a tendency toward improvement. Heat has been something of a handicap in certain lines keeping many shoppers at home. On the other hand it has been of material assistance to soft drink and ice cream dispensers. Automotive manufacturers are preparing for an early showing of their new 1940 models. The outlook in newsprint and the lumber industry is promising.

* * * *

In the United States the operating ratio of the steel industry has risen to over 62% of capacity, the highest since November, 1938. The Bank of Nova Scotia in its weekly statistical summary states that while Canadian business conditions showed little change from May to June an appreciable upturn was recorded in the United States. Canada usually lags behind her neighbor on either a recession or an advance. The encouraging point is that United States business on this occasion is pointing upward.

* * * *

European conditions remain the big cloud on the business horizon. The approach of the time when a crisis is expected to develop naturally tends to moderate aggressive forward movement which would probably otherwise be seen. If this condition could be overcome, it is evident that a broad foundation has been laid for big fall business.

Business Indicators

Current business steady, with D. B. S. weekly index fractionally above previous week and 1938.

Country retail sales in June lower than in 1938.

Railway earnings for first week of August show increase over last year for both roads. Totals, for year to date, up 6.4% and 1.5% for C. N. R. and C. P. R. respectively.

Newsprint production up in July. Total for seven months up 7.2% from last year.

Crude oil imports higher in June. *Total for six* months up 5.5% over 1938.

Wheat and flour exports in July well above 1938, cumulatives for seven months up 97.6% and 35.7% respectively.

Shoe production in June higher than year ago. Cumulative for six months up 2.7%.

Rubber imports in June lower than in 1938. Total for six months up 20.8%.

Bond sales in July lower than year ago. Total for seven months up 19.5%.

Trend of business shown by The Financial Post Index and following key factors, new items for week being marked thus ▲.

	Aug. 5	July 28	July 22	July 15	Aug. 6/38
Commodity prices	72.3	72.1	72.5	72.8	77.2
Weekly index	108.3	108.0	108.3	107.5	108.0
	June	May	Apr.	Mar.	Year Ago
Financial Post index	■118.8	116.3	113.2	112.1	110.2
Retail index no. of sales	85.1	80.8	79.0	76.2	82.8
Dept. store "	72.0	75.2	75.7	71.7	74.4
Wholesale "	99.1	101.4	87.1	87.4	100.1
Country (% change fr. last yr.)	▲—7.7	—2.8	—12.6	—7.6	....
Employment D.B.S. Index—					
	June 1	May 1	Apr. 1	Mar. 1	Year Ago
All industries	113.1	106.2	104.9	106.5	111.9
Manufacturing	111.4	108.4	107.1	107.0	112.3
Wage earners, No. (000)	....	....	2,186	2,161	2,163
Living costs¶	$16.92	$17.02	$17.04	$17.07	$17.43
	1939	1938	Jan. 1 to date 1939	Jan. 1 to date 1938	% Change
Railways—					
Carloadings, week (Aug. 5)	▲45,320	40,306	1,344,606	1,354,925	—0.7
C.N.R. gross, week (Aug. 7)	$ ▲3,405,571	3,215,006	106,650,743	100,151,184	+6.4
C.P.R. gross, week (Aug. 7)	$ ▲2,615,000	2,555,000	76,079,000	74,931,000	+1.5
C.P.R. net revenue (June)	$ 1,063,318	511,408	5,351,343	2,681,028	+99.7
C.N.R. net revenue (June)	$ •12,095	•770,582	•505,417	•5,679,982	.....
Iron and Steel (June)—					
Pig iron production (tons)	52,805	64,375	296,521	404,158	—26.6
Steel ingots and castings prod. (tons)	107,902	109,000	580,141	670,340	—13.4
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (June)	8,610	9,197	54,408	60,825	—10.5
Factory output (June)	10,585	11,014	69,968	76,102	—8.0
Trucks and Buses:					
Domestic sales* (June)	2,335	2,386	13,488	15,570	—13.4
Factory output (June)	3,930	3,718	23,787	26,056	—8.7
Exports (June)	6,046	5,206	34,763	34,971	—0.6
Financing (June):					
Used	$ 4,231,180	4,455,952	18,040,248	19,703,805	—8.4
New	$ 3,213,307	3,817,376	15,455,413	20,225,590	—23.6
Construction—					
Contracts awarded (July)	$ 22,129,700	21,158,200	105,575,600	101,810,200	+3.7
Cement, bbls (May)	550,890	545,710	1,267,776	1,418,414	—10.6
Agriculture—					
Flour prod., bbls. (June)	1,187,875	969,207	6,822,351	5,511,129	+23.7
Flour exp., bbls. (July)	▲403,377	282,985	2,628,675	1,934,316	+35.7
Wheat exp., bus. (July)	▲13,780,554	7,248,115	65,094,021	33,031,978	+97.6
Cattle sales (July)	61,220	64,127	397,686	387,976	+2.5
Hog sales (July)	42,144	43,619	358,138	409,863	—12.6
Sea Fisheries: (June)‡					
Catch, cwts.	968,490	871,660	3,847,520	3,144,290	+22.3
Landed value	2,235,320	2,144,340	6,024,280	6,118,210	—1.5
Newsprint (tons)—					
Production (July)	▲227,630	202,546	1,568,694	1,462,417	+7.2
Exports (June)	244,655	194,520	1,215,118	1,103,286	+10.1
Mining and Oils—					
Coal prod., tons (June)	1,070,984	930,971	6,762,325	6,914,109	—2.2
Coal imports, tons (June)	1,371,651	1,617,744	3,865,946	4,977,731	—24.3
Gold prod., fine oz. (May)	432,359	381,089	2,055,662	1,827,475	+11.9
Nickel prod., lb (May)	21,595,362	18,620,908	90,046,906	92,667,972	—2.8
Copper prod., lb. (May)	55,364,021	48,429,331	246,654,672	243,558,959	+1.2
Crude oil prod., bbls (May)	713,450	566,086	2,544,472	2,381,771	+6.8
Crude oil imp., bbls. (June)	▲4,437,800	3,531,500	14,191,314	13,451,208	+5.5
Electric Power Output (June)—					
Total monthly m.k.w.†	2,245,329	1,973,155	13,743,003	12,718,377	+8.0
Foreign Trade—					
Imports (June)	$ 63,709,402	58,946,698	321,079,319	336,692,235	—4.6
Exports (June)	$ 94,501,380	78,307,834	467,262,255	415,679,647	+12.4
Other Industrial Factors—					
Dressed lumber exp.: M. bd. ft. (June)	205,851	166,177	929,854	756,092	+22.9
Shoes, prod., pr. (June)	▲1,850,673	1,714,770	11,249,771	10,946,853	+2.7
Cotton imports, lb. (June)	15,309,000	9,546,000	53,564,000	64,106,000	—16.4
Raw rubber imp., lb. (June)	5,427,972	7,264,000	30,625,375	25,345,374	+20.8
Cigarette cons. (June) No.†	657,890	631,524	3,293,214	3,231,858	+1.9
Sugar manufactured, lb.§	85,837,830	86,266,450	387,788,743	370,140,908	+4.7
Finance—					
Bank debits (June)†	2,831,082	2,730,578	15,133,304	14,585,069	+3.7
Bond sales (July)	$▲71,449,695	98,451,124	867,519,926	725,553,361	+19.5
Life insurance (June)	$ 35,766,000	35,120,000	192,543,000	190,049,000	+1.25

*D.B.S. All-Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to July 15, 1939.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C.
¶For average family per week, food, fuel, rent. ■Revised. •Deficit.

Five Municipalities To Refinance Debts

From Our Own Correspondent

MONTREAL.—Financial reorganization plans for four municipal corporations in the County of Chicoutimi have been prepared by the Quebec Municipal Commission. They will be submitted to creditors for approval at meetings called for Sept. 20.

The corporations in default for which refinancing plans have been prepared are the School Corporation of the Village of Sainte-Anne; School Corporation of Harvey; Village of Sainte-Anne de Chicoutimi; and the Parish of St. Fulgence.

A reorganization plan has also been prepared for Bagot Township and will be submitted to a meeting of creditors on Sept. 21.

Acadia Directors Have No Interest in New Firm

From Our Own Correspondent

MONTREAL.—None of the present directors of Acadia Sugar Refining Co. have or will have the slightest interest in the Anglo-Dutch Sugar Refining Co. which has made an offer to purchase the plant and business of Acadia Sugar, according to an announcement by J. M. Stewart, president of Acadia Sugar.

The Acadia Sugar Refining Co. will be wound up and operations after the sale is completed will be carried out with entirely new capital. Mr. Stewart states the purchasing interests intend to carry on in the same way as in the past. The terms of the proposed sale provides for administration of the company without change in operating staff.

Empire Mart Absorbs 90% B.C. Lumber

Dependence Makes Shippers Nervous Regarding Trade Parleys

U. S. OUTLET PROBLEM

From Our Own Correspondent

VANCOUVER. — Dependence on the British market has become so outstanding that far-sighted British Columbia lumber exporters are voicing alarm over the present trend.

Present demand for lumber in the British market is not expected to continue indefinitely despite a long succession of record-breaking monthly shipments. There is some prospect of dislocation of the current trading setup as a result of pending agreements between Britain and Russia on the one hand and Australia and the United States on the other.

Dependent on Empire Trade

Remove the sales of lumber to British Empire countries and little is left of the British Columbia export lumber trade. Out of a total export in July amounting to 118 million board feet, the United Kingdom alone took 90 million feet. Australia took 15 million feet, South Africa nearly 4 million feet and New Zealand and West Indies together accounted for more than 1.5 million feet. In other words, less than 10% of the total volume of sales were made outside the Empire.

Oriental Prospects

Return of peace to the Orient would probably revive demand in that quarter after years of stagnation. A good crop on the prairies will probably lead to recovery of the domestic rail business to some extent. The United States market continues a problem, as it has been ever since the Hoover administration's high tariffs became effective.

Meanwhile, lumbermen are "making hay," selling lumber to the British market at the unprecedented rate of a billion feet a year and at higher prices than prevailed a few months ago. So far as volume of sales is concerned, 1939 will probably long be remembered as a record-breaker.

C. N. R. Announces Staff Promotions

From Our Own Correspondent

W. M. MAXWELL

MONTREAL. — W. M. Maxwell, previously industrial commissioner for the Canadian National Railways in New York, has been appointed commissioner of development and natural resources for the C. N. R. with headquarters in Montreal.

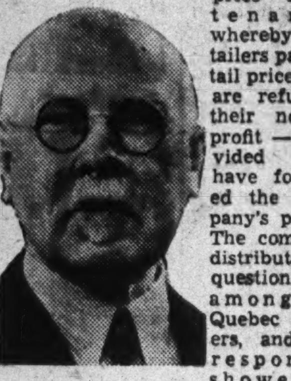
H. M. Johnston, hitherto special representative of the industrial department in Montreal, will succeed Mr. Maxwell as development representative at New York.

F. V. Seibert has been appointed superintendent of development and natural resources at Winnipeg.

Keeping Posted

Veteran Business Commentator Shares His Wide Reading With Businessmen

Montreal and Quebec Province generally constitute a "hot bed of price cutting," says Drug Merchandising. Yet despite this circumstance, 81% of Quebec druggists have voted in favor of price maintenance—this, at any rate, in relation to a particular product.



J. C. KIRKWOOD

A year and a half ago Canadian Cellucotton Products Company, Toronto, inaugurated its Quebec plan of price maintenance, whereby retailers pay retail prices and are refunded their normal profit — provided they have followed the company's policy. The company distributed a questionnaire among its Quebec dealers, and the responses showed a heavy majority in favor of price maintenance. Of 750 returns, 81% indicated a desire to continue the company's plan. Of those dealers not in favor of the plan, 80% were located outside the city of Montreal.

* * *

Boards from Africa

Selected mahogany boards from the Gold Coast of Africa! They were brought to Toronto by George B. Webster, and then turned over to Lionel Rawlinson and his craftsmen for fashioning into chests, bookcases, tables, chairs, beds, a desk and cupboards. Photographic illustrations of these creations are to be found in the August issue of Canadian Homes and Gardens. Particularly appealing is a dining table at which 20 persons can be seated. Its top is made from two boards, and its finely-carved 6-inch diameter legs are from a solid mahogany block.

This August issue of Canadian Homes and Gardens is described as a Building Number. Nine new houses are illustrated, representing a wide variety of facade designing and floor planning. The cover design of this Building Plans issue is a colored sketch by Jack Barwick of the Lake Simcoe summer cottage of his artist friend, Roland Hill. Mr. Hill built it himself during week ends and in vacation periods, starting first with the fireplace.

* * *

Advertising Builds Auto Industry

"We may as well be frank about it," says the editor of Canadian Advertising, "many higher executives of Canadian industry still regard advertising as a necessary evil." "But," he continues, "the rapid growth of the automotive industry to its present enormous size is an object lesson on the selling power of advertising that everyone can see."

J. L. Stewart, general manager of the Canadian Automobile Chamber of Commerce, confirms this opinion in his contribution to the current issue of Canadian Advertising, entitled, "Auto Industry Does Public Relations Job." Mr. Stewart's article deals with a particular phase of advertising — "public relations" advertising — advertising designed not to sell cars, but to clear away misunderstandings, and to emphasize the point that "all business, from farming to fishing, from automobiles to yachts, from mining to flying, from Great Slave Lake to The Bay of Fundy, is interdependent, and that the decline in one business is a deterrent to another." "The manufacturer of a modern vehicle," Mr. Stewart goes on to say, "is a customer of hundreds of other factories."

A questionnaire addressed to firms supplying parts to the makers of motor vehicles brought into the clear the fact that the automotive industry in Canada is not concentrated in two cities—Oshawa and Windsor, but is spread over 53 municipalities, of which seven are in the Maritime Provinces and six in Western Canada. There are at least 240 separate factories and plants serving motor car and truck manufacturers in Canada, giving an average monthly employment to over 15,000 persons.

* * *

Washing Machine Peak

What months of the year are best for selling washing machines? Even though you may not be selling washing machines, yet you may be curious to know the answer to the question. The answer is, as you might expect, the summer months; 26% of yearly sales, in both Canada and the United States are made in the three summer months. Yet September equals May; and October equals March. The "down" months are—so I learn from Hardware and Metal—January, February, December. Which suggests that fewer husbands than the joke-makers would have us believe give their wives a washing machine for a Christmas present.

* * *

Seafood and Tomatoes

There may be more to angling than its thrills—this to cause tens of thousands of men to spend every year millions of dollars in the aggregate to go fishing: thus, there may be some instinctive physical craving for the magnesium, the phosphorus, the iron, the copper and the iodine of which fish are made.

Fish have to pay rather dearly—with their lives—for what the nutrition experts have learned about their flesh. Reading Canadian Grocer I learn this:

—seafood proteins are equal, and in many cases superior, in nutritive value, to other common sources of protein.

—oysters are an excellent source of iron and copper and iodine.

—little shrimps contain phosphorus, magnesium, calcium, iron.

But the article does not say that goldfish are a good source of gold!

Here's further useful knowledge found in the August 1 issue of Canadian Grocer: Canada is now the largest supplier of tomato catsup, tomato juice and tomato purée to the United Kingdom market. Of the total imports of catsup into the United Kingdom in 1938, Canada supplied 95%; of tomato juice, 85%; and of tomato purée, 63%.

Halifax Port Activity Runs Ahead of Last Year

From Our Own Correspondent

MONTREAL. — Port activity at Halifax remained much the same in July as a year ago. Total cargo movement was 134,890 tons or about 2,100 tons less than last year.

Results for the year to date are on a somewhat better scale, tonnage totalling at the end of July 1,227,146 tons, up from 1,193,872 tons for the like period in 1938.

Marked Advance In Housing Loans

July Total for New Units Shows 60 Per Cent Gain

Loans under the National Housing Act and Home Improvement Plan aggregated $4.3 millions in July, reflecting a notable increase in both cases over July totals last year and accounting for a substantial portion of all residential building in the Dominion last month ($7.7 millions).

Housing Act loans of $2,771,501 represented an increase of 62% over July, 1938, and 26% over June of this year, and raised the cumulative total of such loans since 1935 to $39.4 millions. For the first seven months this year, N.H.A. loans show an increase of 45% over the same period of 1938 and Home Improvement loans a rise of 30%, comparing favorably with the gain of about 30% in residential building contracts awarded.

July activities under the Housing Act were marked by a continued expansion of 90% mortgage loans on houses costing $2,500 or less, and extension of lending facilities under the Act to 22 new communities. Nearly a third of the dwelling units financed were covered by loans of $2,500 or less.

Home Improvement loans in July amounted to $1,619,710, and boosted the cumulative total to $31.9 millions.

Newfoundland Airport Nearing Completion

Newfoundland's giant airport, located on the north side of Gander Lake, 105 miles northwest of St. John's, is nearing completion.

Paving of the runways has been completed. In all, there are four runways. The master runway is 5,000 feet long and 1,200 feet wide. The other three are 4,500 feet long and 600 feet wide. Each of the three secondary runways is about as large as the entire paved area of any airport in United States.

When completed, the airport will be one of the most modern in the world. It is equipped with the most modern appliances available, including a powerful wireless station.

Five sixths of the cost has been borne by the British Government and one sixth by the Newfoundland Government.

Newfoundland Reports Smaller Codfish Catch

Newfoundland's catch of codfish salted in the first seven months of the current year was smaller than in the corresponding periods of 1938 and 1937, according to an estimate of the Newfoundland Fisheries Board.

The total for the year to July 31 is 343,055 quintals, of which the deep sea fishery accounted for 111,305 quintals and the inshore fishery, 231,750 quintals. The grand total for the first seven months of 1938 was 420,922 quintals and for the same period of 1937, 374,448 quintals.

One reason for the smaller catch is the late start of the fishery in 1939. Because of this, very few catch reports have been received to date.

Consumers Glass Co. Building Shed Addition

From Our Own Correspondent

MONTREAL. — Consumers Glass Co. is planning on the construction of a new shed on its plant property at Ville St. Pierre. Capital expenditure in connection with this project will involve an outlay of around $25,000.

SECURITIES FOR INVESTMENT

Suggestions for the purchase of government, municipal and corporation securities are made to suit the requirements of the individual investor. Consult any of our branches.

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THE TORONTO IRON WORKS LIMITED
HEAD OFFICE ROYAL BANK BLDG. TORONTO WORKS EASTERN AVE

Operating SUPREME BOILER & ENGINEERING COMPANY, LIMITED

KEEP POSTED THIS SUMMER

Investors and business men who wish to keep abreast of the markets and trends while they are holidaying can have an extra copy of The Financial Post sent to their summer place for the next ten weeks for $1. Mail or telephone your instructions to The Financial Post, 481 University Avenue, Toronto (ADelaide 9131), or Dominion Square Building, Montreal (Marquette 2331).

This Roof was costing money
NOW IT'S TROUBLE-FREE

The checked, alligatored surface of the roof on the great Dominion Square Building in Montreal—a menace to tenants and a constant source of upkeep expense and concern to the owners.

A new Murray Built-up Pitch and Gravel Roof was laid right over the wornout roof—thus saving time and eliminating the danger from sudden weather changes—it now gives absolute protection and is safe from roof upkeep expense for years to come.

● Go up onto your roof—take a qualified Murray engineer with you—find out exactly in what condition your roof is NOW! The signs are easily read by an expert. Perhaps yours is the type of roof that is prone to show checking and "alligatoring" (conditions which do not develop throughout the entire life of Murray Built-up Pitch and Gravel Roofs). These are sure indications that the protective oils are surrendering to the attacks of sun, heat and weather—that steps should be taken NOW to renew roof protection before leak damage and expense begin to mount. The Inspection by a Murray Roofing Engineer costs you nothing—and the definite knowledge of your roof's condition may save thousands of dollars within the next year. Write or telephone the nearest office today.

Alexander MURRAY & Company
LIMITED

MONTREAL - - - TORONTO - - - HALIFAX - - - SAINT JOHN - - - WINNIPEG - - - VANCOUVER

Affiliated with Dominion Tar & Chemical Co. Limited, Canada Creosoting Company Limited, Fibre Conduits, Canada, Limited

The Week's Quotations

Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING AUGUST 14

Range 1939 High	Low	Div R'te $	Aug12 Y'ld %	Company	Sales	Last Aug. 7	Week end. Aug. 14 H	L	Cl'se
				A					
2.87	.50			Abitibi	3090	.90	.90	.70	.90
21¼	3½			Do. pref. 6%	[illegible]	5	5¼	4¼	5
21	4¼			Do. pref. 7%		(4¼ bid — asked)			
4¼	3¼	30c	7	Acadia Sugar		(4¼ bid 4¾ asked)			
5¾	5¾	30c	5.2	Do. pref.		(4¾ bid 5¼ asked)			
5	3			Acme Glove		(2 bid 4 asked)			
*82	60			Do. pref.		(— bid — asked)			
10¼	9¼	60+20c		Agnew Surp.	75	10¼	10	10	10
111	104	7	6.4	Do. pref.		(... bid — asked)			
3¼	1¼			Alta. Pac. Gr.	35	3	2¼	2¼	2¼
24	13			Do. pref.		(— bid 22 asked)			
14¼	6¼			Algoma Steel	360	10¼	10½	10¼	10¼
74	51			Do. pref.		(72 bid 74½ asked)			
140	112	25c+10%		Aluminum	77	128¼	127	124	124
112¼	111¼	6	5.4	Do. pref.		(110¼ bid 112¼ asked)			
2¼	1			Amal. Electric		(1 bid 1¼ asked)			
30	29			Do. pref.		(— bid 28¼ asked)			
22¼	22¼	60c	2.7	Amer. Cyn. B.		(— bid — asked)			
50	47	2.75	5.7	Ang. Can. Tel. p		(48 bid 50 asked)			
28¼	19	60+15c	3.3	Asbestos	1586	23¼	23¼	22¼	22¼
16¼	14¼	80+45c	7.5	Assoc. Brew.	275	16¼	16⅞	16¼	16⅛
115	109¼	7	6.1	Do. pref.	10	115	115	115	115
*6¼	6¼			Assoc. T. & T.A.		(— bid — asked)			
31	29	1.26		Do. pref.		(— bid 30 asked)			
102	100¼	5.50	5.5	Ault & Wiborg	40	102	100⅞	100⅞	100⅞
				B					
168	162	8	4.8	Bk. Can. Nat.	8	167	167¼	167	167¼
222	203	8	3.7	Bk. Montreal	157	214	215	213	215
310	300	12	3.9	Bk. N. Scotia	43	301	303	301	301
255	239	10	3.9	Bk. Toronto	5	253	252	252	252
5	4¼			Barcelona		(4 bid — asked)			
7¼	4			Barker's Bread	170	7¼	6	6	6
39¼	20	2.50	6.9	Do. pref.	255	37¾	37¼	34¼	36¼
8¼	5	25c		Bathurst Pr.	420	6¼	6¼	5¼	5¼
3¼	¾			Do. (B)	105	2	2	2	2
1.50	.50			Bawif Grain	100	1.00	1.05	1.05	1.05
17	15			Do. pref.	5	15	15	15	15
3.00	1.50			Beath & Sons	25	2.00	1.50	1.50	1.50
8¼	4¼			Beatty Bros. A.	75	6	5	4¼	4¼
105	99¼	6	5.9	Do. pref.	10	104	102	102	102
97	90	7	7.8	Do. 2nd pref.	10	93	90	90	90
5¼	2			Beauharnois	2061	4¼	4¼	4	4¼
95	90	4	4.4	Belding Cort.	2	90	90	90	90
141	131	7	5	Do. pref.		(142 bid 150 asked)			
178	165	8	4.6	Bell Telephone	759	175	175	174	174
8	6	62½c		Biltmore Hats	25	7¼	7¼	7¼	7¼
5	3¼			Blue Ribbon		(4 bid 5 asked)			
32¼	25	2.50	7.8	Do. pref.		(32 bid 32¼ asked)			
24¼	18	1.30	6.6	Brant. Cord. pf.		(19¼ bid 20 asked)			
12¼	7¼			Brazilian Tr.	3921	8	8¼	7¾	8¼
5¾	3¼	50+25c		Brew. & Distil.	35	4¼	4¼	4	4¼
6¼	6¼	30c	4.8	Bright, T. G.		(4¼ bid 11 asked)			
80	80	6	7.5	Do. pref.		(75¼ bid 90 asked)			
23¼	19¼	1	4.6	Brit. Amer. Oil	4391	22	22¾	21	21¼
18¼	11			B. C. Packers	169	17	17	16	16
28¼	21¼	2	7.2	B. C. Power A	275	27¼	28	27¼	28
3	2			Do. (B)	210	2¼	2¼	2¼	2¼
4¼	2¼			Bruck S. Mills	165	3	3	3	3
19	14	70+10c	4.4	Building Prod.	6865	19	19	17	17¼
12¼	9¼	60c	6	Burlington Steel	10	10	10	10	10
				C					
82¼	73			Calgary Power		(70 bid 76 asked)			
99¼	93¼	6	6.1	Do. pref.	15	98	98	98	98
5¼	2			Canada Bread	83	5	4¾	4¾	4¾
105¼	97¼	5	4.7	Do. pref.	40	105	105¼	105	105¼
60	49	2.50+75c▲	4¼	Do. pref. B	45	55	60	57	58
5	3¼	40c	8.9	Canada Bud	100	4¼	4	4	4
10¾	7			Canada Cement	672	7¼	8	7¼	7¼
102¼	89	5	5.3	Do. pref.	320	96¼	97	94	94
105	101	1.55		Canada Cycle, p	25	104¼	104¾	104¼	104¼
28¼	25¼	1.50	5.6	C. & D. Sugar	385	27	27¼	27	27
b20¾	12	50c		Canada Dry	9300	18¼	19	17¾	19
13	7			Can. Forg. (A)		(— bid 10 asked)			
10	7			Do. (B)		(— bid — asked)			
20	20			Can. Iron		(20 bid 40 asked)			
55	50	5	9.1	Do. pref.		(— bid 70 asked)			
38	32	1.50+50	5.7	Can. Malting	310	37	37	35	35¼
18	13¼	1.20	7.3	Can. Nor. Pr.	155	16	17¾	16	16¼
112	107	7	6.3	Do. pref.	[illegible]	111	111	110	111
89	66	3+1	4.7	Can. Packers	143	88	90	85	85
*7	1¼			Can. Paving, pf.		(— bid 2 asked)			
153	140	8	5.2	Can. Perman.	21	151	153	153	153
7¼	6			Can. Starch		(6 bid — asked)			
108	108	7	6.5	Do. pref.		(109 bid — asked)			
2.63	1.00			Can. Steamsh's.	550	1.60	1.70	1.50	1.55
10¼	6¼	50c	6.2	Do. pref.	72	8	8	7	8
14	10¼	1.20	10	Can. Vinegars	35	11¾	12	11¾	12
65	55	4	7.3	Can. W. Cable		(55 bid 57 asked)			
22	14	25c		Do. (B)		(15¼ bid 16 asked)			
107¼	101	6.50	6	Do. pref.		(107 bid — asked)			
1	1			Can. Bakeries		(¼ bid 1¼ asked)			
45	25			Do. pref.		(25 bid 39 asked)			
179	159	8	4.8	Can. Bk. Com.	81	167	167	165	166¼
1.80	.90			Can. Breweries	100	1.10	1.10	1.10	1.10
23	17¼	2	10	Do. pref.	360	21	20¼	20	20
39	30	1.50	4.4	Can. Bronze		(— bid 34 asked)			
106	105	5	4.8	Do. pref.		(105 bid — asked)			
4¼	2¾			Can. Canners	15	3¼	3	3	3
19	16¼	1	5.9	Do. 1st pfd.	40	17¼	18	17¼	17¾
7¼	6	60c	8.2	Do. 2nd pfd.	775	7¾	7¾	7	7¼
18	7¼			Can. Car & Fd'y	395	9	9¼	8¾	8¾
34¼	17¾			Do. pref.	285	18¼	20	19¾	20
20	10¼	50+35c		Can. Celanese	1260	19¾	18¾	17¼	18¼
111	95	7	6.4	Do. pref.	95	110	110	109¾	110
21	17¾	1		Do. Rights		(20 bid 21 asked)			
8	4			Can. Convert.		(5 bid 7 asked)			
67	63	4	6	Can. Cottons		(65¾ bid — asked)			
105	100	6	5.8	Do. pref.		(103¼ bid — asked)			
23¼	14	1	6.4	Can. Dredge	110	15	15¼	15¼	15¾
102¼	98¼	6	5.8	Can. Fairb. pf.		(100¼ bid — asked)			
13	6¼	70c	7.4	Can. For. Inv.		(8¼ bid 9¼ asked)			
100	90	8	8.9	Do. pref.		(— bid — asked)			
255	200	6	2.3	Can. Gen. Elec.	25	250	255	255	255
9¼	7	50c	5.6	Can. G. Inv.		([illegible] asked)			
2.87	1.50	10c		Can. Ind. Alc.	410	1.90	1.90	1.80	1.90
2.87	1.25	10c		Do. (B)		[illegible]			
225	192¾	7		Can. Indust. B.	1	205¼	206	206	206
175	165	7	3.4	Do. pref.		(172 bid 174 asked)			
.75	.25		4	Can. Int. I. Tr.	13	.45	.50	.50	.50
46	40	2		Do. pref.		(40 bid — asked)			
15	14	1	6.9	Can. Lt. & Pr.		(14 bid 18 asked)			
8	4			Can. Locomo.	25	4¼	5	5	5
20	18			Can. Mach'y, p.		(— bid — asked)			
1.25	.75			Can. Marconi	105	1.00	1.05	1.00	1.00
20	13¼	50+37½c	6	Can. Oil		(14¼ bid 17¼ asked)			
122	106	8	6.8	Do. pref.	140	118	119	117	117
6¾	3¼			Can. Pacific	7794	4¼	4¼	3¾	3¾
.75	.30			C. Pr. & Pa. In.	53	.50	.50	.50	.50
4¼	3¼			Do. pref.	85	3¾	3¾	3¾	3¾
10	2			Can. Vickers	290	3	3	2¼	3
41	10		5	Do. pref.	150	12	10	10	10
15	9	50c	5	C. Wallpaper A.	25	9	10	10	10
13	9	50c	5	Do. (B)		(9 bid 12 asked)			
60	55	2	3.3	Can. West'ho'se		(— bid — asked)			
4	3	25c		Can. Wineries	55	3¾	3¾	3¾	3¾
20¼	16	1.50	9.1	Can. Wire Box.		(15 bid 17 asked)			
3.00	1.00			Capital Estates	200	1.00	1.05	1.05	1.05
108	103¾	5	4.7	Carnation, pfd.	10	107	107	107	107
9¼	6	50c	5.2	Catelli Food	50	9¼	9¼	9¼	9¼
13	11	75c	5.8	Do. pref.		(12¼ bid 14 asked)			
1.60	1.60			Celtic Knit.		(— bid 1.75 asked)			
165	160	8	4.8	Cent. Can. L'n.		(155 bid — asked)			
100	100	4+1	5	Chart. Trust		(90 bid 100 asked)			
.70	.20			Chem. Research	1468	.21	.22	.20	.20
1.10	.10			City Gas & El.	300	.15	.15	.15	.15
.15	.05			Claude Neon		(.10 bid .15 asked)			
1.35	1.10	12c	9.2	Coast Brew.	560	1.30	1.30	1.26	1.26
8¼	5			Cockshutt Plow	90	6	6¾	6¼	6¼
2.50	1.50	10c		Comm. Alcohol	3505	2.00	2.25	2.12	2.25
5¼	4¼	40c	7.8	Do. pref.	200	5¼	5¾	5¼	5¾
4	3	30c	10	Conduits Nat.		(— bid 3¼ asked)			
17¼	14	1+15	6.7	Cons. Bakeries	50	16¼	17	17	17
.05	.05			Cons. Div. Sec.		(.05 bid .15 asked)			
8¼	6¼	75c		Do. pref.		(7¼ bid 9¼ asked)			
7¾	3¼			Cons. Paper	7183	4	4¼	3¾	4¼
6	5			Cons. Press		(7 bid 8¾ asked)			
75	60	1.75		Cons. Sand, pf.		(60 bid 70 asked)			
61¼	37¼	1+1	4.5	Cons. Smelters	2442	45	45¼	43	44¾
183	175	10	5.6	Consumers' Gas	12	180	178¼	178¼	178¼
27¼	20¼			Corr. P. Box, p.	20	25	27¼	25	27¼
22	16¼	1	5.2	Cosmos Imp.	80	19	17¼	17¼	17¼
105	101	5	4.8	Do., pref.		(103¼ bid — asked)			
29	21	1.60	.57	Crown Cork	95	28	28	27	27
5	2			Crown Dom. Oil	20	3	3	3	3
35	24	3		Crow's N. Coal	250	29	28¾	28¾	28¾
3.50	.65			Cub Aircraft		(.50 bid 1.00 asked)			
				D, E					
17	11¼	60+20c	6.2	David & Fr. A		(12¼ bid — asked)			
2¼	1¼			Do. (B)	110	1¾	1¾	1¾	1¾
14	7			de Havilland		(5 bid 9 asked)			
90	70			Do. pref.	10	82	82	82	82
2¼	2¼			Disher Steel		(2¾ bid 4¼ asked)			
9	9			Do. pref.		(— bid 9 asked)			
20¾	15¼	2	11.1	Distill-Seagram	920	18¼	18¼	18	18
90	82	5	5.5	Do. pref.		(— bid 92 asked)			
30	30			Dom. Ang. Inv.		(30 bid 48 asked)			
75	75	5+2.50▲		Do. pref.		(73 bid 84 asked)			
210¼	200	10	4.7	Dom. Bank	12	207	209	206	209
37¼	23¾	1.20	4.4	Dom. Bridge	255	28¼	28	27	27
19	15	1.50	8	Dom. Coal, pf.	125	18¾	19	18¼	18¼
38	21			Dom. Engineer.		(23 bid 30 asked)			
25	19	90c		Dom. Foundries	365	23¼	24	23	23¼
106¼	104¼	6	5.7	Do. pref.	10	105	105	105	105
115¼	105	5	4.4	Dom. Glass	30	112	114	114	114
165	146¼	7	4.3	Do. pref.	12	160	162	155	162
33	31			Dom. Oilcloth		(— bid 31 asked)			
2	¾			Dom. Scot. Inv.		(— bid 1 asked)			
30	25	1.20		Do. pref.		(— bid 28¼ asked)			
12¼	7¼			Dom. St. & C.B.	2933	10	10¾	10	10¼
7¾	3			Dom. Stores	125	6	6¼	5¼	5¾
7	4			Dom. Tar & Ch.	285	5¼	4¾	4¼	4¼
87¼	69	5.50	6.3	Do. pref.	88	85	87¼	84¼	87¼
70	65	5	7.2	Dom. Textile	105	70	69	69	69
160	147	7	4.5	Do. pref.		(160 bid — asked)			
5¼	3			Donnacona P.A.	2	[illegible]	3¼	3¼	3¼
5¼	3			Do. (B)			3	3	3
6¼	3¼			Dryden Paper	25	4¼	4	4	4
.75	.30			East Koot. Pr.		(— bid .75 asked)			
8	6			Do. pref.		(6¼ bid 8¼ asked)			
.60	.45			East Dairies		(.50 bid — asked)			
4¼	2			Do. pref.	10	2¼	2¼	2¼	2¼
17	11	1	7.4	East Steel	2637	11	13¼	13¼	13¼
96	65	7	7.5	East Theat. pf.	141	90	93	93	93
2.87	1.65			Easy Washing		(1.60 bid 2.12 asked)			
30	22	2.25		Economic Inv.		(23 bid 25 asked)			
15	9	1.20	12	Electrolux	165	9¼	10	9¼	9¼
1.25	.50			Enam. & Heat.	50	1.00	1.10	1.10	1.10
33	25	2.50	8.3	English Electric		(25 bid 34 asked)			
8¼	4			Do. (B)		(— bid 6 asked)			
8	5	15c		Equitable Life	10	5¼	5¼	5¼	5¼
8	5¼	60c	11.4	European El. A.		(— bid 5¼ asked)			
.10	.10			Do. Warrants		(.10 bid — asked)			
				F, G					
6	3¼			Fairchild Air.	780	4¼	4¼	4	4¼
23¼	18	1	4.2	Fam. Players	6000	23¼	23¼	23¼	23¼
24	19	1+50c	6.3	Fanny Farmer	1485	23¾	24	23¼	24
10¾	5			Fleet Aircraft	420	5¼	5¼	5¼	5¼
3¼	1			Fleury Bissell		(1 bid 3¼ asked)			
33	25			Do. pref.	20	28	30	30	30
23¼	16¼	1	5	Ford Motor A.	1511	20¼	20¼	19¾	20¼
22	17¼	1	5.4	Do. (B)		(20 bid 20¾ asked)			
.35	.15			For. Pr. Secs.		(.20 bid — asked)			
11¾	7			Foundation Co.	180	9¼	9	9	9
17	7			Fraser Cos.		(7 bid 9 asked)			
17¼	7¼			Do. Vot. Tr.	265	9	9	8¼	9
.30	.25			Freiman, c.		(— bid — asked)			
38	31			Do. pref.		(— bid 35 asked)			
16¼	11	80c	5.2	Gatineau Pwr.	376	15	15¼	15	15¼
95	87	5	5.3	Do. pref.	222	94	95	94	94¼
6	2¾			Do. Rights	185	5¼	5¼	5	5¼
8	4¾			Gen. St. Wares.	620	5¼	5¾	5¼	5¼
83	55	1.75		Do. pref.	40	68¾	67	65	67
78	66	2.50+5	10	Goodyear Tire.	20	74¼	75	75	75
56¼	54	2.50	4.5	Do. pref.	69	55¼	56¼	55	55
9	5			Gt. Lakes Pap.		(— bid 6 asked)			
15	12			Do. pref.		(— bid 12 asked)			
7	2¼			Do. Vot. Tr. c		(— bid 4¼ asked)			
17	10¼			Do. Vot. Tr. p		(11 bid 12¼ asked)			
1.25	.75			Gt. W. Saddlery	15	1.00	1.00	1.00	1.00
12	12			Do. pref.		(12 bid 15 asked)			
12¼	10	60c	5.9	Greening Wire.		(10 bid 10¼ asked)			
6¼	5	†30c		Gurd. Chas.		(5 bid 5¼ asked)			
108	105	7	6.7	Do. pref.		(— bid 105 asked)			
7	3¼			Gypsum Lime	495	5¼	5¼	4¼	4¼
				H, I					
6.00	.75			Ham. Bridge	425	1.00	1.00	1.00	1.00
36	24			Do. pref.	61	30	30	29	30
29	25	2	8	Ham. Cot., pf.	15	27	25	25	25
1.00	.45			Ham. U. Theat.		(.50 bid .90 asked)			
61¼	49¼	6	9.7	Do. pref.	7	60	61¼	61¼	61¼
4	2¼	20c	6.4	Harding Carpet	25	3¼	3¼	3¼	3¼
*5	2¼			Hillcrest Coll.		(— bid 1¼ asked)			
1¾	1¾			Do. pref.		(1¾ bid 12 asked)			
15	8	50c	5	Hinde & Dauch	255	10	10	10	10
*20	20			Holt Renfrew		(— bid 15 asked)			
40	40			Do. pref.		(— bid 35 asked)			
11	10			Honey Dew	5	11	11	10¾	11¼
13¼	10			H. Smith Pap.	240	12¼	12¼	11¼	11¼
96¼	88	6	6.4	Do. pref.	50	90	95¾	94	94
15¼	12	1	8.3	Humberstone S.		(12¼ bid 15 asked)			
5	2			Hunts (A)	10	4	6	5	5
5	2			Do. (B)	10	4	5	5	5
70¾	62	4	6.2	Huron & E. Mt.		(65 bid 70 asked)			
10	8¼	80c		Do. 20% pd.	20	9	9	9	9
4¼	3	20c	5.2	Hydro Electric		(3 bid 4 asked)			
221	202¼	10	4.5	Imperial Bank	68	217¼	219	217¼	217¼
17¼	14	50+75c	8.3	Imperial Oil	4730	15¼	15¼	15	15
16¾	15	40+22½c	3.7	Imperial Tob.	2230	16¾	16¾	16¼	16¾
8	7	6%		Do. pref.	25	7¾	7¼	7¼	7¼
33	28	2+12½c	6.8	Indust. Accept	10	31	31	31	31
35	25	3		Inter-City Bak.	75	35	32	32	32
55	45	4+2	13.3	Inter'c Coal	5	50	45	45	45
*126	119¾	8	6.7	Do. pref.		(— bid 124 asked)			
20	15	1.50	9.4	Inter. Bronze		(15 bid — asked)			
26¼	23	1.50	6.2	Do. pref.		(— bid 24¼ asked)			
.30	.30	3c		Int. Coal & C.		(.25 bid .40 asked)			
b8¼	3¾			Int. Hyd. E. A.	4700	6¼	6¾	5¾	6
7¾	3¾			Int. Metal Ind.	10	6	5¼	5¼	5¼
91¼	70	6+4.25▲	6.9	Do. pref.	130	90	89	87	87
89	70	6+4.25▲	6.7	Do. pref. A.	15	87¼	89	87	87
107	104	5	4.7	Int. Mill., pf.	5	105	105¼	105¼	105¼
56¾	42¾	2	4.1	Int. Nickel	5325	49¼	49¼	48	49¾
3	2			Int. Paints		(2¼ bid 2¼ asked)			
13	11¾	1+25c▲	.8	Do. pref.		(12¼ bid 15 asked)			
b14¾	6¾			Int. Pap. & P.	8200	9¼	9¾	8¾	8¾
b51¾	26¼			Do. pref.	7900	33¾	34¼	31¼	33¾
27¾	20¾	1.50+50c	9	Int. Pete.	2416	22	22¼	22	22
4	3			Int. Power	50	3	3	3	3
81	69	6	8.6	Do. pref.	29	73	73	70	70
*11¾	10¼	1.12		Int. St. Rlty. A.		(— bid 12 asked)			
*4	3¼			Do. (B)		(— bid 4 asked)			
10	5			Int. Util. (A)		(— bid 8¼ asked)			
.75	.40			Do. pref.	310	.55	.50	.50	.50
				J, K, L					
40¼	35¼	2	5	Jam. Pub. Ser.		(40 bid — asked)			
133	129	7	5.3	Do. pref.	30	132¼	133	133	133
12	9	75c	6.2	Kelvinator	115	10	12	11¼	12
20	8¼			L. St. John Pr.	35	11	12	11	12
3.63	.50			Lake Sulphite	300	1.10	1.00	.75	.75
21	13			Lake of Woods	575	18¼	18	17	18
126	112	7	5.5	Do. pref.		(124 bid — asked)			
65	55	4	7.3	Landed Bank		(— bid 80 asked)			
12¼	9¾	70c	5.8	Lang, J. A.		(— bid 14 asked)			
3	2¼			Langley's		(— bid 1¾ asked)			
25¼	20	1▲		Do. pref.	10	25	20	20	20
13¼	10¾	80c	6.2	Laura Secord	1482	13	13	12¾	12¾
8¼	4¼			Legare, pref.	105	8	8	7¼	7¼
5¼	4			Lindsay, C. W.	5	4	4	4	4
*78	66			Do. pref.		(— bid 70 asked)			
26¾	22	1+25c	4.7	Loblaw (A)	1985	26¼	26¾	26	26¾
24¼	21	1+25c	5.1	Do. (B)	455	24¼	24¼	24	24¼
				M					
1.05	.50			Mackenzie Air.	100	.50	.50	.50	.50
2	2			MacKin. Steel		(2 bid — asked)			
62	55	7		Do. pref.		(55 bid — asked)			
15	8¼			Maclaren Pr. p.	170	10¼	10¼	10	10
6	3¼			M. L. Gardens		(5¾ bid — asked)			
8	5	70c	8.7	Do. pref.		(7 bid 8¼ asked)			
2.50	1.00			Maple Leaf	1072	2.00	2.37	2.00	2.00
5¾	2¼			Do. pref.	160	5¼	5	5	5
16	15¼	70+2½c		Maritime Tele.		(16 bid — asked)			
17	16¾	70c	4.2	Do. pref.		(17¼ bid — asked)			
15¾	15¼			Marcus Loew's.		(— bid — asked)			
*115	115	7+2½▲		Do. pref.		(— bid — asked)			
7¼	4¼			Massey-Harris	770	4¼	4¾	4¼	4¼
60¼	29¼			Do. pref.	1461	40	42	39	40
7¼	5¼			McColl Fron.	1160	5¾	6	5¾	6
95	82¼	6	6.8	Do. pref.	275	88¼	90	88	88
1.50	1.20			Melchers		(— bid 1.60 asked)			
6¼	5	60c	10.9	Do. pref.	115	5¼	5¼	5¼	5¼
1¼	1¼			Mercantile Tran		(1¾ bid — asked)			
5	5	3%		Do. pref.		(4¾ bid — asked)			
*2¼	2¼			Mercury Mills		(— bid — asked)			
8	5¼			Do. pref.		(6 bid 7 asked)			
52	50	2	4	Mitchell, J. S.	20	50	50	50	50
113	113	7	6.2	Do. pref.		(112 bid — asked)			
17	8			Mitchell, Robt.	25	10	9¼	9¼	9¼
1	1			Monarch Knit.		(1 bid — asked)			
24	19¼			Do. pref.		(22 bid — asked)			
38	35	2	5.7	Montreal Cot.		(— bid 38 asked)			
101	98	7	7	Do. pref.	84	100	100	100	100
1.50	.50			Mont. Is. Pr.		(.25 bid 2.25 asked)			
33	29¼	1.50	4.6	Mont. L. & Pr.	4386	32¾	32¾	32	32¼
51¾	49¾			Do. Notes	19	51¼	51¼	51¼	51¼
28	25	2	8	Montreal Loan		(25 bid — asked)			
1.00	.50			Mtl. Refrig. & S	10	.50	.50	.50	.50
12¾	11	1.25		Do. pref.	10	11	11	11	11
60	50	3.20	6	Montreal Tele.	7	55	54	54	54
73	64	6	9.1	Montreal Trams		(65 bid — asked)			
41	35	1.60+40c	5	Moore Corp.	775	40¾	40¼	40	40¼
179	155	7	4	Do. pref. (A)	15	172	175	175	175
230	208	7	3.1	Do. pref. B		(240 bid — asked)			
.10	.10			Muirheads		(— bid .50 asked)			
*4	2¾			Do. pref.		(— bid 3¼ asked)			
				N, O					
43	38¼	2	4.9	Nat. Breweries.	2763	41	41	40	40
45¼	41	1.75	4	Do. pref.	95	43	44	44	44
6¾	4¼			Nat. Grocers	661	6¼	6¼	5¾	6
25	23	1.50	6.1	Do. pref.	35	24¼	24¼	24¼	24¼
13¼	9¼			N. Sew. Pipe A.	145	10¼	10¼	10¼	10¼
61¼	43¼	2	4.2	Nat. Steel Car.	365	50	49	48	49
205	190	8	4.1	National Tr.	20	195	195	195	195
7¼	7¼	50c	6.9	Neon Pr. Inv.		(7¼ bid 8¼ asked)			
22¼	16	1	5.7	Niag. W. Weav.	5	18	17¼	17¼	17¼
1.25	.50			North Star Oil.	200	.70	.50	.50	.50
3¾	3	35c	10	Do. pref.		(3¼ bid 3¾ asked)			
95¼	92	6	6.4	N. S. L. & Pr.		(95¼ bid — asked)			
107	102	6	5.7	Do. pref.		(106¼ bid — asked)			
*15	9			N. S. Steel, pf.		(— bid — asked)			
29¼	23	1	3.8	Ogilvie Flour	460	26¼	26¼	26	26¾
170	156	7	4.3	Do. pref.	1	163	163	163	163
112	108	5	4.5	Ontario Loan		(110 bid 115 asked)			
*7¼	4¾			Ont. Silknit		(— bid 5¾ asked)			
15	7¼			Do. pref.		(2 bid 12 asked)			
10	6	60c	7.5	Ont. Steel		(7¼ bid 12 asked)			
100	90	7	7.8	Do. pref.		(— bid — asked)			
5	1¼			Orange Crush.	305	5	5	4¼	4¼
7¼	4	70c	10.3	Do. pref.	28	7¼	7	6¾	6¾
55	55	2	3.6	Ottawa Car		(— bid — asked)			
8¼	6			Ottawa El. Rly.		(4 bid — asked)			
15	14	1	6.7	Ott. L. H. & Pr.		(14 bid 15 asked)			
102	98	5	5	Do. pref.		(99 bid 100 asked)			
				P, Q, R					
18	10	3c		Pacific Coyle		(12 bid — asked)			
104¼	93	4	3.9	Page Hersey	92	102	102	100	101¼
7¾	4¾			Pantepec Oil	100	5¼	4¼	4¼	4¾
12	5			Paton Mfg.		(5 bid 15 asked)			
110	100	7	7	Do. pref.	2	102¼	100	100	100
43	38	3	7.2	Penmans	65	41	42	42	42
130¼	115	6	4.8	Do. pref.		(— bid 132 asked)			
20	16¼	1	5.5	Photo Eng.	15	17	18	18	18
101	95¼	7	6.9	Porto Rico Pr. p	15	100	101	101	101
12¼	9	60c		Power Corp.	130	9¾	9¾	9¼	9¼
105	99	6	5.7	Do. pref.	12	104	104¼	104	104
47	41	3	6.7	Do. 2nd pref.		(44 bid — asked)			
10¾	5¼			Pressed Metals		(7¼ bid 9¼ asked)			
19¾	9¼			Price Bros.	485	11	11	10¼	11
58¼	36			Do. pref.		(43 bid 45 asked)			
7¾	6¼	20c	2.8	Prov. Transport	330	7¼	7	7	7
19	16	1	6.1	Quebec Power	422	16¼	16¼	16¼	16¼
5	4¼			Quebec Tele.	110	4¼	4¼	4¼	4¼
35	32	2	6.1	Real Estate L'n.	1	32	33	33	33
4¼	2			Regent Knit		(2¼ bid 3 asked)			
21	17			Do. pref.		(— bid 17 asked)			
2¾	2	30c		Reinhardt Brew		(2¼ bid 2¼ asked)			
4¼	1¼			Reliance Grain		(1 bid 2¼ asked)			
*12¼	10¼	60c		Remington R'd.		(10 bid — asked)			
26	22¼	2	7.8	River S. Mill	10	26¾	25¼	25¼	25¼
3	1¾			Rogers Majest.		(¾ bid 1¼ asked)			
11	7	50c	5.5	Rolland Pap.		(8¼ bid — asked)			
11	6	50c	5.9	Do. Vot. Trust	75	9	8¾	8¾	8¾
99	92¼	6	6.4	Do. pref.	10	94	94	94	94
193	178	8	4.2	Royal Bank	192	189	190	189	190
100	71	7	7	Russell Indust.	5	100	100	100	100
125	112	7	5.7	Do. pref.		(123 bid 130 asked)			
				S					
107¼	103¼	5.50	5.2	Saguenay Pr. p.	51	107	107	106¼	106¼
20	17¼	1	5.6	Sangamo	10	19¾	18	18	18
6	4			Sarnia Br. (A)		(5 bid 6 asked)			
6	6			Do. (B)		(1 bid 2 asked)			
22¾	18¼	92c	4.7	Shawinigan Pr.	1542	19¼	20	19¼	20
14¾	10			Sher. Wms.	45	12	12	12	12
115	105	7	6.4	Do. pref.	14	114	110	110	110
2.75	1.25			Silverwoods	95	2.50	2.75	2.50	2.75
5	3¼	40c	8	Do. pref.	645	4¾	5	4¾	5
9	7	60c	8.3	Simon & Son		(7¼ bid 8¼ asked)			
106	102	7	6.7	Do. pref.		(106 bid — asked)			
12	10			Simpson, A.		(7¼ bid — asked)			
5	1¾			Do. (B)	15	4	4¼	4¼	4¼
95¼	78	5+1▲	5.3	Do. pref.	230	95	95¼	95	95
138¼	115	6	4.3	Simpson, R., pf.	112	138¼	138¼	138¼	138¼
12¼	10	80c	7.3	So. Can. Pr.	10	11	11	11	11
112	106	6	5.3	Do. pref.	43	111	112	110	112
4¾	2¾			St. Law. Corp.	165	2¾	2¾	2¾	2¾
15¼	7¼			Do. (A)	135	10	10¼	9¾	9¾
24	17¼	1	4.5	St. Law. Flour	110	22	23	22¼	22¼
125	115	7	6.1	Do. pref.		(115 bid 123 asked)			
42	21			St. Law. Pap. p.	130	29	30	28¼	28¼
8	3	50c		Stand. Chem.		(6¼ bid 7¼ asked)			
1	1			Stand. Clay		(1 bid 2¼ asked)			
3.50	.75			St. Pav. & Mat.	150	1.30	1.40	1.40	1.40
4¼	4			Do. pref., new		(3¼ bid 4¼ asked)			
38	38	3	7.9	Stand. Steel. pf.		(35 bid 40 asked)			
21¼	16¾	60+40c	4.7	Stedman Bros.	30	21	21¼	21¼	21¼
77¾	66¼	1.75‡	5	Steel of Can.	825	76	76	73¼	73¾
75	66¼	1.75	2.4	Do. pref.		(70 bid 72¼ asked)			
4	2			Sterling Coal		(4 bid 4¼ asked)			
*.75	.10			Stop & Shop		(— bid .20 asked)			
8¼	8¼	80c	9.4	Stuart, D. A. pf.		(8¼ bid 10 asked)			
4¼	2¼			Supersilk H.A.	25	3	3¼	3¼	3¼
4¼	3¼			Do. (B)		(4 bid 4¼ asked)			
85	80	5	6.2	Do. pref.		(75 bid 80 asked)			
38¼	34	1+50c	4.3	Sup. Pete. ord		(34 bid 36 asked)			
[illegible]	25	1+50c	4	Do. com.		(33¼ bid 36 asked)			
				T, U, V					
13	11	80c	6.9	Tamblyn	20	11¼	11¼	11	11
54	52	2.50	4.6	Do. pref.	50	52¼	54	54	54
4	2¼			Thayers		(2 bid — asked)			
32¼	30	3.50		Do. pref.		(31¼ bid 32 asked)			
*.25	.25			Thrift Stores		(— bid 1.00 asked)			
2¼	2¼			Do. pref.		(1¼ bid 3¼ asked)			
12¼	8¼	60c	6	Tip Top Tailors		(9 bid 10 asked)			
109	104¼	7	6.5	Do. pref.	25	108	107	106	106
.50	.50			Tooke Bros.		(.50 bid 1.00 asked)			
7	5			Do. pref.		(6 bid 7 asked)			
17¼	10			Tor. Elevators	25	16	16	16	16
46	41¼	2.62½	5.9	Do. pref.		(44 bid — asked)			
90	79	4	4.7	Tor. Gen. Tr.	30	85	85	85	85
113	100	6	6	Toronto Mtge.		(100 bid 106 asked)			
170	153	7	4.1	Tuckett Tob. p.	5	169	170	170	170
3	2			Twin City		(2¼ bid 3 asked)			
15	11	80+20c	7	Union Gas	614	14¼	14¼	14	14¼
14	12	60+15c	5	Un. Amuse. A.		(14 bid — asked)			
14	14	60+15c	5	Do. (B)		(14 bid — asked)			
1.05	.90			Un. Cigar-W.		(— bid — asked)			
.75	.50			United Distill	100	.70	.50	.50	.50
38	25	3	9.1	United Fuel, pf.		(32 bid 33¼ asked)			
5	2¼			Do. (B)		(2¾ bid 3 asked)			
6¼	4¼			United Secs.		(5¼ bid 6 asked)			
7	3¼			United Steel	1430	4	4¼	3¼	4
3¼	2			Viau Bisc.		(3 bid 4 asked)			
55¼	47	5	9.8	Do. pref.		(50 bid — asked)			
				W, Y, Z					
18	12	1	5.5	Wabasso Cot.	10	18	18	18	18
51	38	4	9.1	Walker-Good.	1145	45	44¼	43¼	44
20¾	19	1	4.9	Do. pref.	294	20¼	20¾	20¼	20¾
1.40	.95			Walkerville Br.	50	1.00	1.00	1.00	1.00
*125	123¼	7	5.6	W. Koot. Pr. p.		(126 bid — asked)			
3¼	2			West. C. Flour.	5	3¼	3¼	3¼	3¼
37	15			Do. pref.		(25 bid 35 asked)			
50	45	3	6.4	West Grocers		(— bid 55 asked)			
114	103¼	7	6.7	Do. pref.	20	104¼	105	105	105
11	10¼	50c	4.6	W'minster Pap.		(10¾ bid — asked)			
12¼	9¾	80c	7.1	Weston Ltd.	245	11¼	11¼	11¼	11¼
95¼	85	5	5.2	Do. pref.	25	95	96	95¼	96
18¼	18	1	5.4	Wilsils	400		18¼	18	18
2.25	1.25			Winnipeg El. A.	683	1.60	1.50	1.50	1.50
2.00	1.05			Do. (B)	[illegible]	1.60	1.50	1.25	1.25
11	6¾			Do. pref.	86	7¾	7¼	6¾	6¾
67	60	7		Wood, A. & J. p	10	65	60	60	60
25	17¼			Woods Mfg., pf.		(— bid 25 asked)			
4¼	4			York Knitting		(4 bid 5 asked)			
100	100	7	7	Do. 1st pref.		(100 Jan. 4)			
9	7			Zellers		(8 bid 8¼ asked)			
25	22	1.50	6.2	Do. pref.		(24 bid 25 asked)			

Quotations: * 1938. ° 1937. b New York quotations.
▲ On account of arrears.
‡Plus extra of $2 paid Feb. 1, 1939.
•Initial. †Interim.

Mining Stocks

Week Ending August 14.

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 7 (or last)	High for week	Low for week	Close Aug. 14
			A					
1	.04	.01¼	Afton	1,000	.02¼	.02¼	.02¼	.02¼
No	.52	.25	Aldermac	11,840	.33	.35	.28	.32
1	.01¼	.00¼	Alexandria		(.00¼ bid .02 asked)			
1	.17	.06	Amm. Gold	2,500	.08	.07	.07	.07
No	3.25	2.25	Anglo-Huronian	187	2.30	2.35	2.25	2.25
No	.02¼	.01	Arno		(.02 bid ... asked)			
1	.17¼	.09	Arntfield	64,200	.13¼	.16	.12¼	.15
1	.10¼	.05	Ashley	7,000	.06¼	.06¼	.06	.06
1	.06¼	.01	Astoria Quebec	1,900	.03	.03¼	.03¼	.03¼
1	2.87	1.75	Aunor Gold	48,065	2.57	2.56	2.44	2.50
			B					
1	.23	.06	Bagamac	1,625	.09	.09	.07	.07
1	.38	.17	Bankfield	9,166	.27¼	.28	.25	.25¼
1	.30	.10	Base Metals	2,100	.18	.18	.15	.18
1	.32	.07¼	Bear Exploration	21,600	.10	.10¼	.07¼	.08¼
No	1.40	1.00	Beattie Gold	1,625	1.22	1.23	1.20	1.21
1	.14	.07¼	Beaufor	8,100	.12	.12	.10	.12
1	.30	.15	Bidgood Kirk.	12,000	.17	.16¼	.15¼	.16
1	.35	.08	Big Missouri	150	.12	.12	.12	.12
1	.22	.08	Bobjo	4,300	.11¼	.11¼	.09	.09¼
1	.12	.04¼	Bouscadillac G.M.	2,800	.04¼	.06	.04¼	.04¼
No	12.50	9.55	Bralorne	1,145	11.75	11.63	11.00	11.50
1	.08	.04	Brazil Gold		(.05 bid .06 asked)			
1	.03¼	.01	Brett Trethewey	4,500	.01¼	.01¼	.01¼	.01¼
1	.75	.28	Broulan	22,600	.42	.43	.37¼	.40
1	15.50	8.90	Buffalo Ankerite	9,335	10.25	10.00	8.90	9.15
No	.05	.02¼	Buffalo Can.	2,500	.02¼	.02¼	.02¼	.02¼
5	28.00	23.00	Bulolo Gold	1,110	23.25	24.00	23.50	23.50
No	.11¼	.05	Bunker Hill	1,500	.06¼	.06¼	.06¼	.06¼
			C					
No	1.03	.69	Can. Malartic	4,800	.74	.78	.73	.75
1	.03¼	.01¼	Capital Rouyn		(.... bid .02¼ asked)			
1	2.40	2.01	Cariboo Gold	1,000	2.20	2.30	2.20	2.25
1	.06	.02	Cartier Malartic	600	.02¼	.03	.03	.03
1	1.05	.65	Castle Trethewey	1,400	.75	.76	.76	.76
1	.25¼	.15	Cen. Cadillac	14,000	.23	.23	.19	.19
1	2.75	2.05	Cen. Patricia	3,495	2.50	2.50	2.40	2.42
1	.14¼	.05	Cen. Porcupine	4,900	.10	.10	.09	.09¼
1	.25	.15	Century Mining	10,500	.21	.21¼	.19	.20¼
1	1.39	.85	Chesterville	19,950	1.12	1.12	1.00	1.03
No	.88	.50	Chromium	1,100	.54	.52	.51	.52
5	2.50	1.50	Coast Copper	100	2.00	1.75	1.75	1.75
5	2.00	1.39	Coniagas	400	1.75	1.60	1.60	1.60
No	2.34	1.26	Coniaurum	10,816	1.95	1.91	1.68	1.74
1	.30	.10	Con. Chibougamau	5,160	.25	.21¼	.10	.15¼
5	61.25	37.50	Cons Smelters	2,442	45.00	45.50	43.00	44.75
			D, E					
1	.08¼	.03	Darkwater	1,300	.05	.05	.04	.04
1	.16	.09¼	Denison Nickel	4,100	.12	.12	.10	.10
No	34.25	29.00	Dome Mines	3,304	33.00	33.00	32.00	32.50
1	.04¼	.02	Dom. Explorers		(.02¼ bid .03 asked)			
1	.09¼	.04¼	Dorval Siscoe	6,500	.06¼	.06¼	.05¼	.05¼
1	.08	.02	Duparquet	100	.02¼	.02¼	.02¼	.02¼
1	.27	.14	Duquesne	4,700	.16	.17	.15	.15
1	2.85	2.07	East Malartic	21,762	2.74	2.75	2.60	2.67
1	2.36	1.04	Eldorado	6,760	1.12	1.14	1.10	1.13
			F, G					
No	6.00	4.50	Falconbridge	1,670	5.90	5.75	5.50	5.75
1	.08¼	.03¼	Federal	5,700	.04¼	.04¼	.04	.04
1	.17	.03	Fernland	1,500	.03¼	.03¼	.03	.03¼
No	.77	.15	Francoeur Gold	242,575	.67	.73	.54	.58
1	.11¼	.04	Gillies Lake	10,100	.06¼	.07	.06	.06
1	.05	.01¼	Glenora	4,000	.02¼	.02¼	.02¼	.02¼
No	.49	.20	God's Lake	22,404	.43	.43	.39	.40¼
1	.28	.15	Goldale	5,600	.19	.18¼	.18	.18¼
50c	.63	.29	Gold Belt		(.28 bid ... asked)			
1	.13¼	.04¼	Gold Eagle	36,700	.09	.10	.08	.10
1	.03¼	.01¼	Goodfish		(.01¼ bid .02 asked)			
1	.04	.02¼	Graham Bosquet	500	.02¾	.02¾	.02¾	.02¾
1	.13¼	.02¼	Granada Gold	5,500	.02¼	.02¼	.02¼	.02¼
No	.07	.04¼	Grandora	500	.05¼	.05¼	.05¼	.05¼
1	.02¼	.02	Grull Wihksne		(.01¼ bid .04 asked)			
1	.64	.40	Gunnar Gold	4,550	.50	.53	.49	.49
			H, I, J					
1	.03¼	.01	Halcrow Swayze	4,900	.02¼	.02¼	.02	.02¼
1	.08	.02	Halliwell Gold	6,000	.03	.03¼	.02¾	.02¾
1	1.95	.94	Hard Rock	9,190	1.11	1.11	1.03	1.05
1	.10	.06	Harker	5,000	.08	.08¼	.07	.07
1	1.58	.70	Hedley Mascot	50	.70	.75	.75	.75
5	15.50	13.50	Hollinger	2,415	15.12	15.50	15.00	15.25
1	.36¼	.24	Howey Gold	6,500	.33¼	.34	.32¼	.33
No	35.50	25.50	Hudson Bay	3,731	34.63	34.75	33.75	34.00
1	.45	.21	Inspiration	3,000	.34¼	.32	.26	.26
1	9.25	7.00	Inter. Mining		(7.00 Apr. 20)			
No	56.37	42.75	Int. Nickel	5,325	49.12	49.50	48.00	49.37
50c	1.26	1.04	Island Mountain	100	1.08	1.06	1.06	1.06
1	.11¼	.03	Jacola	2,433	.05	.05	.04	.05
1	.34	.12	Jack Waite	700	.25	.21	.21	.21
1	.18	.14	Jellicoe	3,642	.17	.17	.14	.14
1	.11	.03	J. M. Cons. Gold	3,257	.03¼	.03¼	.03	.03¼
1	.06¼	.03	Joliet Quebec	13,700	.04¼	.04¼	.04	.04
			K, L					
1	2.14	1.47	Kerr Addison	44,288	2.02	2.04	1.91	2.02
1	.65	.30	Kerr Lake		(.35 bid .75 asked)			
1	.10	.04	Kirk. Gold Rand.		(.03 bid ... asked)			
1	.73	.24	Kirk. Hud. Bay	300	.25	.25	.25	.25
1	1.75	1.15	Kirkland Lake	4,853	1.47	1.48	1.41	1.47
1	.13¼	.07	Kirk. Townsite		(.08¼ bid .12 asked)			
1	50.50	32.75	Lake Shore	2,267	42.00	42.00	41.00	41.00
1	7.30	5.50	Lamaque Gold	802	7.10	6.90	6.50	6.70
1	.54	.14¼	Lapa Cadillac	28,800	.20	.23	.20	.21
1	.85	.59	Lava Cap	1,450	.78	.76	.72	.76
1	.08¼	.02¼	Lebel Oro	6,500	.02¼	.03	.02¼	.03
1	.90	.63	Leitch Gold	8,260	.84	.83	.80	.83
No	3.60	2.60	Little Long Lac	2,370	2.99	3.00	2.91	2.98
			M					
1	5.90	3.85	Macassa	6,160	4.90	4.95	4.70	4.75
1	3.20	1.70	MacLeod Cockshutt	4,583	1.95	1.95	1.85	1.86
1	.55	.30	Madsen Red Lake	12,300	.38	.40	.35¼	.38
1	.75	.43	Malartic Gold	11,435	.69¼	.69¼	.65	.68
1	.17	.08	Mandy	100	.12	.10	.10	.10
No	.02¼	.00¼	Man. & Eastern	6,500	.02	.02	.01¾	.02
No	.07	.02¼	Maralgo	1,000	.04	.03¼	.03¼	.03¼
5	59.63	49.75	McIntyre	842	58.87	59.00	57.75	58.75
1	1.38	1.00	McKenzie R. L.	11,715	1.28	1.28	1.25	1.28
1	.20¼	.06	McVittie	1,700	.15¼	.16	.14	.16
No	.75	.36	McWatters	8,200	.60	.61	.54	.59
5	.35	.30	Mentor Exploration		(.... bid .47 asked)			
No	2.05	1.05	Mining Corp.	1,225	1.28	1.33	1.25	1.27
No	.03	.01¼	Minto Mines		(.01 bid .02¼ asked)			
1	1.45	.89	Moneta	8,895	1.01	1.03	1.00	1.00
1	.20	.06	Morris Kirk	44,800	.09	.09	.07	.08¼
1	.02¼	.01	Murphy	1,000	.01	.01¼	.01¼	.01¼
			N, O					
1	.51¼	.14	Naybob	66,570	.17¼	.17¼	.16	.16¼
No	.09	.02¼	Newbec		(.02¼ bid .03¼ asked)			
1	.25	.09	New Golden Rose		(.12 bid .19 asked)			
1	.60	.20	New True Fissure	12,100	.34	.35	.30	.35
5	1.80	1.28	Nipissing	730	1.35	1.36	1.30	1.35
No	84.00	70.00	Noranda	6,466	83.00	83.00	81.50	83.00
No	.60	.40	Nor Canada	680	.48	.53	.49	.52
1	.06¼	.03¼	Norgold	4,000	.04¼	.04	.03¼	.03¼
1	.70	.30	Normetals	7,634	.61	.60	.55	.58¼
1	9.50	8.00	Northern Empire	300	9.45	9.50	9.15	9.25
1	3.25	1.95	O'Brien	7,680	2.12	2.20	2.00	2.18
1	.53	.28	Omega	4,545	.34	.34	.30	.30
1	.52¼	.20	Oro Plata	1,400	.30	.28	.20	.24
1	.14	.07	Orisko	1,500	.14	.12	.09	.09
			P, Q, R					
No	4.85	2.08	Pamour	19,136	2.20	2.25	2.08	2.12
1	.16	.04	Pandora	2,000	.05¼	.05	.05	.05
1	2.55	2.10	Pato Cons. G.	300	2.20	2.20	2.15	2.20
1	.07¼	.03	Partanen Mal	1,700	.04¼	.04¼	.04	.04
1	.07¼	.02	Paulore	1,000	.02	.02	.02	.02
1	.02	.00¼	Pawnee Kirk	3,000	.01	.01¼	.01¼	.01¼
1	.61	.35	Paymaster	14,650	.47	.46	.42¼	.44
1	1.95	1.21	Pend Oreille	2,700	1.50	1.50	1.38	1.41
1	2.05	1.45	Perron Gold	4,200	1.91	2.00	1.90	1.95
1	.01	.00¼	Peterson Cobalt	1,500	.00¼	.00¼	.00¼	.00¼
1	5.60	4.40	Pickle Crow	5,250	4.65	4.80	4.50	4.55
1	2.70	2.25	Pioneer Gold B.C.	1,915	2.41	2.50	2.40	2.48
1	14.50	12.00	Placer Devel.		(12.75 bid 13.00 asked)			
1	2.45	1.18	Powell Rouyn	2,800	1.90	1.92	1.80	1.92
1	2.40	1.71	Premier Gold	1,270	1.80	1.90	1.80	1.80
1	1.75	1.17	Preston E. Dome	21,444	1.55	1.57	1.45	1.57
No	.58	.40	Prospectors Air's.		(.40 bid .55 asked)			
1	.65	.30	Quebec Gold	1,200	.38	.34	.30	.30
No	.15	.04	Quemont		(.... bid .15 asked)			
No	.09	.03¼	Red Crest	1,200	.03¼	.04	.03¼	.03¼
1	.56	.20	Reno Gold	3,400	.47	.49	.47¼	.48
1	.30	.20	Reeves McDonald		(.20 Aug. 3)			
1	.05¼	.01¼	Reward	500	.02	.02	.02	.02
1	.01¼	.00¼	Robb Montbray	3,500	.00¼	.00¼	.00¼	.00¼
1	.11¼	.05¼	Roche Long Lac	2,700	.07¼	.07¼	.06¼	.07
			S					
1	2.03	1.18	San Antonio	19,563	1.99	1.98	1.77	1.92
1	.17	.10	Sand River	2,000	.10	.10¼	.10	.10
1	.51	.45	Senator Rouyn	23,100		.51	.45	.45
1	.04¼	.02	Shawkey	1,200	.02¼	.02	.02	.02
50c	1.25	.90	Sheep Creek	1,000	1.24	1.24	1.18	1.22
1	1.44	.85	Sherritt Gordon	30,756	1.03	1.07	.98	1.00
1	7.70	5.50	Sigma Mines	521	7.50	7.20	6.90	7.00
1	1.65	.95	Siscoe	4,600	1.22	1.20	1.14	1.15
1	.80	.37	Sladen Malartic	10,250	.46	.45	.40	.40
1	.13	.04	Slave Lake	9,600	.05¼	.05¼	.05	.05¼
No	1.03	.43	Stadacona	83,772	.58	.57	.48¼	.50
1	.15¼	.08	St. Anthony	3,725	.09	.10	.09	.09¼
No	.11	.03¼	Straw Lake	57,900	.04¼	.05¼	.04¼	.04¼
1	.24¼	.09	Sturgeon River	500	.15	.16	.16	.16
No	2.99	1.80	Sudbury Basin	1,310	2.25	2.25	2.10	2.10
1	.14¼	.05¼	Sudbury Contact	2,000	.07	.08	.07¼	.07¼
1	1.01	.73	Sullivan Cons.	3,015	.85	.85	.75	.80
1	3.55	2.78	Sylvanite	2,780	3.35	3.40	3.30	3.35
			T, U, V, W, Y					
1	4.70	3.80	Teck Hughes	5,627	4.20	4.25	4.15	4.25
1	.14¼	.06¼	Temiskaming	1,200	.07¼	.08	.07¼	.07¼
1	2.30	1.65	Toburn Gold	800	1.83	1.85	1.80	1.80
1	.40	.20	Towagmac	2,200	.33	.35	.30	.30
1	1.65	1.03	Uchi Gold	7,470	1.16	1.16	1.05	1.08
	97.75	95.00	Do. Bonds	6,000	96.00	95.75	95.50	95.50
No	5.80	4.30	Ventures	1,153	4.80	4.95	4.80	4.80
No	8.25	5.50	Waite Amulet	3,218	6.90	6.90	6.50	6.85
1	.15	.08¼	Wendigo	4,500	.09	.09	.09	.09
No	.01¼	.00¼	White Eagle	1,500	.01	.01	.01	.01
1	.05	.01¼	Whitewater Mines	2,000	.01¾	.03	.02¼	.03
1	.08¼	.03¼	Wiltsey Coughlan	2,000	.04¼	.04	.03¼	.03¼
1	.19	.08¼	Wood Cadillac	10,550	.12¼	.14	.11	.13
No	8.90	7.30	Wright-Hargreaves	7,300	8.10	8.10	8.00	8.00
No	.09	.04¼	Ymir Girl	10,100	.05¼	.05	.04¼	.05

Oil Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 7 (or last)	High for week	Low for week	Close Aug. 14
No	.09¼	.04	Acme Gas & Oil		(.04¼ bid .06 asked)			
1	.30	.10	Alta Pac. Cons.	24	.12	.10	.10	.10
1	.30	.15	Ajax		(.15¼ bid .17 asked)			
No	1.52	.80	Anglo Canadian	8,200	.95	.93	.90	.90
1	.15¼	.09	Anaconda		(... bid .08 asked)			
1	.21¼	.07	Br. Dominion	900	.12¼	.13	.13	.13
No	.33	.18	Brown Oil	14,300	.22¼	.22¼	.20	.20
100	65.00	48.00	Do., pref.		(75.00 bid ... asked)			
No	2.80	1.70	Calgary & Ed.	1,175	1.95	1.92	1.70	1.90
1	.65	.28	Calmont	5,950	.30	.32	.30	.31
No	.55	.31	Commoil	500	.35	.35	.35	.35
No	.36	.21	Common Pete	1,100	.25	.26	.25	.26
No	.75	.33	Dalhousie	3,000	.39	.37	.35	.37
No	.60	.25	Davies Pete	7,805	.28	.28¼	.26	.26¼
No	.13	.05	East Crest	2,050	.06	.05¼	.05¼	.05¼
25c	.18	.07¼	Firestone Pete	1,000	.08	.07¼	.07¼	.07¼
No	1.45	.50	Foothills	113	.60	.55	.55	.55
25c	.14¼	.08¼	Foundation Pete	300	.10	.09	.09	.09
No	.20	.10	Hargal		(.17 Aug. 3)			
No	.25	.15	High Sarcee	1,000	.17¼	.16	.16	.16
No	3.75	1.98	Home	7,410	2.15	2.15	2.05	2.15
1	.26¼	.07	Homestead O.&G.	11,600	.08¼	.10	.08	.10
No	.23	.09	McD. Segur		(.11 bid .14 asked)			
No	.07	.03	Merland		(.03¼ bid .04¼ asked)			
1	.48	.26	Model		(.24 bid .30 asked)			
25c	.12¼	.07	Monarch Royalties	500	.07¼	.07¼	.07¼	.07¼
1	.13	.04¼	Nordon		(.05 bid .07 asked)			
No	.03¼	.01¼	Oil Selections		(.02 bid .02¼ asked)			
No	1.73	.90	Okalta	3,350	1.00	.95	.90	.92
No	.02¼	.01	Olga Gas & Oil		(.01¼ bid .01¼ asked)			
1	.12	.04¼	Pacalta	2,100	.05	.04¼	.04¼	.04¼
1	.30	.25	Petrol Oil & Gas		(.25 bid .35 asked)			
25c	.25	[illegible]	Prairie Royalties	1,000	.23¼	.22	.21¼	.21¼
No	45.63	31.75	Royalite	158	34.75	35.00	33.00	34.00
No	.75	.29	South West Pete		(.39 bid .60 asked)			
No	.11¼	.04	South End		(.02¼ bid .03 asked)			
No	1.30	.50	Texas Can	700	.66	.70	.70	.70
No	.15¼	.07	United Oils		(.07¼ bid .08¼ asked)			
No	1.00	.45	Vulcan	500	.45	.47	.47	.47
No	.08¼	.04	West Flank	1,500	.04¼	.04	.04	.04

Vancouver Stocks

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 7 (or last)	High for week	Low for week	Close Aug. 14
1	.30	.10	Big Missouri	3,100	.13	.13¼	.12¼	.12¼
25c	.01¼	.01¼	Bluebird		(.01¼ Apr. 6)			
No	12.50	9.50	Bralorne	1,745	11.65	11.80	11.25	11.25
1	.03¼	.02	Bridge River Cons.	1,000	.02¼	.02	.02	.02
1	2.40	2.01	Cariboo Gold	500	2.23	2.20	2.15	2.20
No	.06¼	.02	Dentonia	4,500	.02¾	.03	.02¼	.02¼
No	.07	.02¼	Fairview Amal.	1,000	.03¼	.03¼	.03¼	.03¼
1	.01¼	.00¼	Federal Gold	1,000	.00¼	.00¼	.00¼	.00¼
1	.33	.20	George Copper		(.20 May 19)			
1	.06	.03	Golconda		(.04¼ bid .06 asked)			
50c	.62	.24	Gold Belt	9,150	.27	.30	.26	.30
50c	.08¼	.03¼	Grandview	500	.06	.05¼	.05¼	.05¼
1	.03¼	.01¼	Grull Wihksne	1,000	.02	.01¼	.01¼	.01¼
1	1.54	.73	Hedley Mascot	5,500	.74	.77	.76	.77
No	.01	.00¼	Home Gold		(.00¼ bid ... asked)			
1	.01¼	.00¼	Indian Mines		(.00¼ bid .01¼ asked)			
50c	1.40	1.01	Island Mountain	1,200	1.08	1.07	1.06	1.06
1	.34	.27	Inter'l Coal		(.32 bid .34 asked)			
50c	1.55	.61	Kootenay Belle	600	.77	.80	.80	.80
10c	.03	.01	Lucky Jim	7,300	.01¼	.01¼	.01¼	.01¼
No	.02	.00¼	Mak Siccar		(.00¼ bid ... asked)			
10c	.33	.23	Metaline Metals		(.28 June 10)			
1	.23	.21	McGillivray Creek		(.20 bid ... asked)			
No	.03	.01¼	Minto Mines		(.01¼ bid .02 asked)			
5c	.04¼	.02	Nicola	24,000	.03	.03	.02¼	.02¼
50c	.04¼	.01	Noble Five		(.01¼ bid .02 asked)			
1	.22	.10	Pacific Nickel		(.13 bid .15 asked)			
1	1.90	1.24	Pend Oreille	200	1.50	1.49	1.49	1.49
No	.00¼	.00¼	Pilot Gold	1,000	.00¼	.00¼	.00¼	.00¼
1	2.70	2.28	Pioneer Gold	650	2.43	2.50	2.45	2.50
50c	.03	.00¼	Porter Idaho		(.02 bid ... asked)			
No	.01¼	.00¼	Premier Border	1,000	.00¼	.00¼	.00¼	.00¼
1	2.40	1.71	Premier Gold	2,500	1.90	1.90	1.86	1.86
No	1.45	1.06	Privateer Mines	7,250	1.15	1.18	1.11	1.13
1	.04	.02	Quatsino Copper		(.02¼ bid .03 asked)			
50c	.01¼	.01¼	Red Hawk		(.01¼ Feb. 11)			
1	.15¼	.09	Relief Arlington	9,700	.12¼	.14	.13¼	.14
No	.32	.18	Reeves McDonald	1,000	.19	.23	.23	.23
1	.58	.22	Reno Gold	2,200	.48	.48	.47	.48
1	.06	.01¼	Reward Mining	1,000	.02	.01¼	.01¼	.01¼
1	.01¼	.00¼	Rufus Argenta		(.00¼ bid .01 asked)			
1	.09	.02	Sally Mines		(... bid .08¼ asked)			
50c	.12	.03	Salmon Gold		(.03¼ bid .04 asked)			
50c	1.25	.91	Sheep Creek	2,950	1.22	1.20	1.19	1.20
1	1.85	1.20	Silbak Premier	200	1.27	1.20	1.20	1.20
No	.02	.00¼	Silvercrest	5,000	.00¼	.00¼	.00¼	.00¼
1	.15	.08	Sunloch		(.08 Mar. 3)			
50c	.27	.13	Surf Inlet	9,100	.20	.17	.16	.16
No	.06¼	.02¼	Taylor Bridge		(.05 bid .06¼ asked)			
No	.06¼	.02¼	Vidette Gold		(... bid .06 asked)			
50c	.00¼	.00¼	Waverley Tangier	2,000	.00¼	.00¼	.00¼	.00¼
20c	.02	.00¼	Wellington		(.00¾ bid ... asked)			
50c	.01¼	.00¼	Wesko	5,000	.00¾	.00¾	.00¾	.00¾
1	.04¼	.01¼	Whitewater	6,000	.02¼	.03¼	.03	.03
No	.08	.03¼	Ymir Yankee Girl		(.04 bid ... asked)			

Oil Quotations

Par Val.	Range 1939 High	Low	Company	Sales	Close Aug. 7 (or last)	High for week	Low for week	Close Aug. 14
1	.30	.13	Alta Pac. Cons.	700	.15	.13	.13	.13
1	.01	.00¼	Amalgamated	6,000	.00¾	.00¼	.00¼	.00¼
No	1.52	.84	Anglo Canadian	1,000	.93	.93	.88	.88
1	.16	.07	Anaconda	500	.07¼	.07	.07	.07
No	.08	.06	Associated Oil		(.06 Mar. 28)			
No	.04	.01	Baltac		(.01¼ bid .02¼ asked)			
1	.19¼	.06	Brit. Dominion		(.11 bid ... asked)			
No	.33	.19	Brown Oil	2,500	.22¼	.22¼	.21¼	.21¼
No	2.75	1.86	Calgary & Ed	1,000	1.90	1.91	1.87	1.87
1	.64	.28	Calmont	1,180	.31	.30¼	.30	.30
No	.58	.32	Commoil		(.34 bid .35 asked)			
1	.36	.22¼	Commonwealth	1,000	.26	.26	.26	.26
No	.68	.34	Dalhousie		(.35 bid ... asked)			
No	.59	.27	Davies Pete		(.25¼ bid ... asked)			
No	.12	.06	East Crest		(.05 bid ... asked)			
25c	.13	.07	Firestone	1,000	.08	.07¼	.07¼	.07¼
No	1.40	.55	Foothills	100	.55	.55	.55	.55
No	.17¼	.02	Freehold	5,375	.03¼	.03¼	.03	.03
No	.13	.09	Foundation Pete		(.08 bid ... asked)			
No	.15¼	.08¼	Four Star		(.12 bid .13 asked)			
No	.20	.08¼	Hargal		(.19 bid .21 asked)			
No	.35	.15	High Sarcee		(.14 bid ... asked)			
No	3.75	2.00	Home Oil	1,855	2.15	2.15	2.08	2.15
No	.07¼	.02	Madison		(.02¼ bid .03 asked)			
No	.09	.04	Marjon Oil	8,500	.04¼	.04¼	.04	.04
No	.22¼	.11¼	McD. Segur Ex	1,000	.12	.11¼	.11¼	.11¼
1	.22	.12	McLeod		(... bid .12 asked)			
No	.13	.05¼	Mercury	1,000	.06¼	.06¼	.06¼	.06¼
No	.07¼	.03¼	Mill City Pete	1,500	.05¼	.06	.05¼	.05¼
No	.05¼	.04¼	Midwest Pete		(.02¼ bid ... asked)			
1	.49	.24	Model	200	.28	.25	.25	.25
25c	.11	.07¼	Monarch Royal		(.07¼ bid ... asked)			
25c	.60¼	.08	National Pete		(.11 July 29)			
1	.12	.05	Nordon		(.05 July 7)			
No	2.00	.92	Okalta	350	1.04	.96	.92	.94
No	.12	.04¼	Pacalta Oil		(.04¼ bid ... asked)			
25c	.24¼	.18	Prairie Royal	800	.24	.23	.23	.23
No	45.00	32.50	Royalite		(32.00 bid 34.00 asked)			
No	.22	.15¼	Royal Canadian	4,100	.18	.18	.17¼	.18
No	.75	.30	Southwest Pete	200	.40	.40	.40	.40
No	.11¼	.03	South End		(.02¼ bid .04 asked)			
1	.12	.04	Spooner		(.09 July 28)			
25c	.40	.30	Sunset Oils	100	.38¼	.40	.40	.40
No	.16	.07¼	United	2,000	.08	.08	.08	.08
No	.13	.04¼	Vanalta	3,000	.05	.05	.05	.05
1	.90	.48	Vulcan	200	.50	.50	.48	.50
No	.07¼	.05	West Flank	1,000	.06¼	.05	.05	.05

Winnipeg Stocks

(Transactions from Aug. 7 to Aug. 12)

	Sales	High for period	Low for period	Close Aug. 12
Beaver Lumber, pf.	5	95.00	95.00	95.00
Beresford Lake	2,000	.32½	.31¼	.31¼
Franco Oils	2,800	.60	.56	.58½
Flin Flon	2,000	.01	.01	.01
Great-West Life	21	240.00	238.00	240.00
Gurney Gold	2,000	.03¼	.03¼	.03¼
Lakeside Kirkland	1,000	.04	.04	.04
Marvel Oils	1,000	.02	.02	.02
Ore Grande	2,600	.07	.06½	.07
Reliance Grain, pfd.	10	30.25	30.25	30.25
Rice Lake	10,000	.01	.00⅞	.00⅞
Sachigo River	40	9.00	8.87	8.87
Wingold	6,300	.05	.04¾	.04¾

Stocks Not Traded in During Week

	Bid	Asked
Beaver Fire	75	..
Beaver Lum., c	2⅝	..
Can. Indemnity	125	..
Dom. Envelope	2	3
Do. pref.	96	98
Fed. Grain, com.	..	1.50
Do., pfd.	..	23
Home Invest.	12	15
North. Trusts	6	..
N. Can. Mtge., pf.	2½	..
North. Mtge.	1½	..
Traders Bldg.	55	..
United Grain	6¼	6½
West. Brew.	1⅜	1½
West. Grain, pf.	..	5
West. Steel	..	7

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Aug. 15	12,800	52,300	247,000	28,667
Aug. 14	8,200	27,000	183,000	29,185
Aug. 12	2,900	11,000	135,000	17,810
Aug. 11	11,700	34,200	211,000	29,780
Aug. 10	15,100	45,700	390,000	22,970
Aug. 9	9,600	30,000	248,000	28,390

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

August 15, 1939

Dominion of Canada Bonds

%	Due	Bid	Ask	Approx. Yld.
2	Nov. '39	100¼	...	...
2½	Oct. '39	100⅜	...	...
4	Oct. '39	100¼	...	...
1½	June '40	100	100¼	.90
4½	Sept. '40	103¼	103¾	1.01
1	Mar. '41	99¾	99¾	1.05
5	Nov. '41	107	107¼	1.60
1½	May '42	99¾	100¼	1.46
2	June '42	101	101¼	1.45
3	Oct. '42	104	104¼	1.52
2½	June '43	102¾	103¼	1.62
5	Oct. '43	111¾	111¾	2.02
2	June '44	100¾	101¼	1.75
a2½	Jan. '44	101¾	102¾	b1.45
4½	Oct. '44	111¼	111¾	2.09
2½	Nov. '44	102¾	103¼	1.87
a2½	Aug. '45	102¾	103¾	b1.62
4	Oct. '45	107¼	107¾	b2.05
4½	Feb. '46	111¾	112¾	2.35
3½	June '49	103¾	104¼	b2.57
3½	Oct. '49	104	104¾	b2.56
3¼	Nov. '51	102¾	103¾	b2.83
a5	May '52	108¾	109¼	b1.45
4	Oct. '52	107¾	108¾	b2.85
3	June '55	100	100¼	b2.93
4½	Nov. '56	110¼	111	b2.81
4½	Nov. '57	110¼	111¼	b2.92
3	June '58	99¾	100	3.00
4½	Nov. '58	111¼	112	b3.00
4½	Nov. '59	112¼	113	b3.01
a4	Oct. '60	109¾	110¼	b2.92
a3½	Jan. '61	105¼	106¼	b2.79
3½	June '66	101¾	102¾	b3.07
a3e	Jan. '67	101¾	102¼	2.87
a3e	Nov. '68	101¼	102	2.90
a3	Perpet'l	93¾	94¼	3.18
	Dominion Guaranteed Bonds			
	Can. Nat'l. Railways:			
2	Feb. '43	100¼	101¼	1.65
2½	Jan. '46	99¾	100¾	2.12
3	May '44	104¼	105¼	1.84
3	Dec. '50	100	101	b2.82
3	Feb. '53	99¼	100¼	b2.94
3	Jan. '59	98¼	99¾	3.02
*4½	Sept. '51	114¾	115¾	2.93
*4½	Feb. '56	116	117	3.17
c4½	July '57	116	117	3.25
*4½	June '55	118	119	3.22
5	Feb. '54	119	120	3.26
*5	July '69	115¼	116¼	b2.39
*5	Oct. '69	119¼	120¼	b3.08
*5	Feb. '70	119	120	b3.15

Provincial Gov't. Bonds

%	Due	Bid	Ask	Approx. Yld.
	New Brunswick:			
3	Oct. '51	94¼	95¼	3.45
3½	Aug. '49	96¼	97¼	3.57
3½	June '56	98	99	3.58
c4	Nov. '47	103¼	104¼	b3.20
c4½	Apr. '61	107¼	108¼	3.92
c5	Jan. '60	113¼	114¼	3.96
	Nova Scotia:			
3	Jan. '52	97¼	98¾	3.12
3½	June '56	99¼	100¼	3.21
3½	Nov. '50	101¼	102¼	3.26
c4½	Sept. '52	109	110¼	b3.06
c4½	Nov. '60	111	112¼	3.63
c5	Mar. '60	119	120¼	3.57
	Ontario:			
2½	May '45	101	102	2.12
3	Apr. '48	100	101	b2.83
3	Nov. '50	99¼	100¼	b2.92
3½	Nov. '51	102	103	b2.91
*4	June '62	109	110¼	3.34
4½	June '50	112¼	113¼	3.07
*4½	Jan. '62	115	116¼	3.44
5	Oct. '48	114	115	3.10
*5	Dec. '60	122	124	3.42
5½	July '46	114¼	115¼	3.04
	Ont. Hydro Commission:			
3	Aug. '48	100	101	b2.84
3½	Feb. '53	101	102	b3.02
3½	Apr. '47	103	104	2.91
	Prince Edward Island:			
3	Oct. '45	99¼	101	2.82
	Quebec:			
3	Nov. '47	97¼	98¼	3.20
3	Nov. '51	95¼	96¼	3.35
3½	Mar. '48	98¼	99¼	3.31
3½	June '52	97¼	98¼	3.40
4	Mar. '52	103¼	104¼	3.56
4½	Aug. '58	106¼	108	3.88
4½	Jan. '63	109	110¼	3.82
	Alberta:			
4	Dec. '54	59¼	63¼	d
4½	Oct. '51	63	67	d
c4½	Oct. '56	61	65	d
*5	Oct. '59	63¾	67¼	d
c5½	Apr. '52	64¼	68¼	d
6	Mar. '47	68	72	d
	British Columbia:			
c4	Dec. '57	99¾	102¼	3.70
*4½	Jan. '51	103	106	2.85
c4½	Oct. '53	102¾	105¼	3.98
c5	Apr. '54	105¼	108¼	4.25
5½	Feb. '45	105¼	108¼	3.84
6	Feb. '47	107	111	4.41
	Manitoba:			
c4	Dec. '57	87	91	4.76
c4½	Dec. '56	91	95	4.92
*5	Dec. '59	95¼	99¼	5.06
5½	Oct. '55	95¾	99¾	5.32
6	Apr. '47	99¼	103¼	5.47
	Saskatchewan:			
4	Sept. '54	65¼	69¼	7.37
4	Nov. '60	64¼	68¼	6.79
c4½	Oct. '51	77	81	6.78
c4½	Mar. '60	71	75	6.73
5	Aug. '38	77	81	6.80
5½	Oct. '52	79¼	83¼	7.48
6	Mar. '52	81¾	85¾	7.75

*Payable Can., N.Y. & £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Aug. 15, 1939

Industrials:	Bid	Ask.
Acme Farm., p.	12	14
Andian National	31	33
Anglo C. Tel., A	8¼	9
Barrymore, pfd.	21¼	..
B. C. Pulp, c.	6¼	7
Do., pfd.	20	..
B. C. Sugar	80	82
Burns & Co., A	3	3¾
Do., B	1	1¼
Canada Tea, pf.	22	25
Can. Co-op. W'l.	7	..
Can. G'drich, c.	1¼	..
C. I. L., A c.	212	..
Can. Ing. Rand	122	125
Can. Tube, 1st p.	60	63
Chase, A. W., p.	25¼	26¼
Claude Neon, p.	6¾	7¼
Cons. Sales B., p.	..	79
Cope. Flour Unit	7	7¼
Dom. Wooll's., p.	¼	1¼
Dunlop Tire, p.	22¾	23¼
Easy Washing, p.	..	8¼
Fed. Grain, pfd.	19¼	21
Do., com.	¼	1
Goderich Elev.	6¾	6¼
Guard. Realty, p.	15	17¼
Guelph Carp., p.	101	102¼
Do., com.	10	11¼
Hayes Steel, c.	14	15¼
Do., pfd. ($10)	10	10¼
Hi'land Dairy, p.	73	..
Do., com.	2¼	..
Kingston Sh. un.	11¼	12
Lobland Inc., c.	10¾	10¾
M'row Screw, p.	97	101
Mt. Royal H., p.	2¾	2¾
Neilson, Wm., c.	9¼	..
Do., pfd.	104	..
N. B. Tel., c.	12¼	13¼
N. Meth. Ldy., p.	58	..
Office Spec., p.	72	..
Ont. Tob., pfd.	22¼	..
Paterson Wm., p.	104	..
Prov. Paper, pfd.	102¼	104
Reliance Gr., pf.	30	32
Robertson, P. L., p.	90	..
Rob. Cons. Cone	9	9¼
Ruddy, E. L., p.	28¼	30
Seal O Sac (Can)	4¼	5
Stand. Fuel, c.	2	2¼
Do., pref.	48	51
Stedman Br., pf.	56¼	57¼
Tor. Carpet, c.	18¼	22
Do., pfd.	54¼	56¼
Un. F. Co-op.	2¼	2¾
Un. Steel, A pf.	21¼	22
Viceroy M., p. & rts.	23¼	24
West. Grain, pf.	3	5
West. Steel, c.	6	7
Weston Hold.	6¼	7
Trusts & Loan Stocks:		
Brit. Mtge.	152¼	..
Com. Fin., c.	2¾	3
Guaranty Tr.	96	..
Guelph & C., $50	53¼	56
Lambton Loan	32¼	35
London & West.	39	41¼
Sherbrooke Tr.	120	..
Sterling Trust	52	60
Traders F., B.C.	12	13
Do., A pfd.	85	..
Trusts & Guar.	27¼	28¼
Waterloo Trust	99¼	..
Insurance Stocks:		
Canada Life	483	490
Confed., 30% pd.	153¼	156
Crown, fully pd.	265	..
Dominion Fire	136	..
D. of Can. Gen.	120	125
Empire, 25% pd.	8	9
Excelsior Life	62	65
Fed. F., 25% pd.	51	55
Great-West Life	240	250
Halifax Fire	22¼	24
Imperial Life	315	335
Manufac. Life	244	250
Monarch 10% pd.	22¼	24
Sov. L., 25% pd.	12¼	..
Sun Life	390	410
Tor. General	6	6¼
Western Assce.	50	52
Theatre Stocks:		
Allens, King., p.	64	66¼
Do., Lond., p.	55	60
Do., St. Cath. p	53	56
Do., Tor., p. c.	35	37¼
Loew's Lond., p.	3¼	3¼
Mans., Theat., p.	31¼	34
Midland Prop., p.	4	..
Para., Kitch., p.	53¼	..
Do., Oshawa, c.	11¼	13
Investment Trust Shares:		
Can. Investors	6¼	7
Deb. & Sec., pf.	70	..
Inv. Found. Un.	55	56¼
Sec's. Hold., pf.	18	19
United Corp., A	21	23
Do., B	5¼	7
Power Issues:		
Can. W. N. Gas	27	..
Do., pfd.	99	100¼
Int. Util., 1.75 p.	16	18
Do., 3.50 pfd.	35¼	37
Gt. Lakes Pr. p.	101	103
Mtl. Is. Pwr. p.	21	..
Nor. Ont. Pr. p.	96	98

Unlisted Mines

Toronto, August 15, 1939

	Bid	Ask
Addingt'n	.07	.07¼
Albany R	.22	.23
Amorada	.02¼	.03¼
Anoki	.09¾	.11
Arjon	.03¼	.04
Armistice	.01¾	.02¼
Argosy	.06	.06¼
Arno	.01¼	.02¼
Area	.05¼	.06
Athona	.04¾	.05¼
Barb Lar	.03¼	.04
Beresford	.26	.29
Big Mastr	.02¼	.03¼
Bilmac	.02¼	.03¼
Calder Bo	.03	.04
Camlaren	.02¼	.03
Capital R	.00¾	.01¼
Carinor	.12	.15
Central	.03¼	.04
Cheminis	.07	.08
Cochen'r	.61	.63
Coin Lk	.03¼	.04
Cont Cop	.11	.12¼
Cont Kir	.06	.07
Crescent	.04¾	.05¼
Crowsh'e	.08	.09
Dawson	.01¼	.01¾
Dayton	.06¼	.07¼
Delnite	.88	.95
Desants'n	.24	.25
Devon	..	.08
Dona Pt	.25	.26
Donwood	..	.08¼
Dumico	.05¼	.06¼
Dunlop n	.01¼	.02¼
E Lacoma	.02¾	.03¼
Elmos	.18	.20
Faulken'	.01¼	.02¼
Flavrian	.02	.02¾
Fontana	..	.07
Frontier	.03	.05
Galore	.06	.07
Gate Pat	.01¾	.02¼
Golden G	.19	.21
Goldside	.01	.01¼
Gordon L	.01¼	.02
Gorham	.03¼	.04¼
Hallnor	7.25	7.75
Hiawa'a	..	1.00
Hislop	.01¼	.02¼
Hoyle n	.33	.34
Hugh PP	.08	.09¼
Hutch Lk	.04¾	.05¼
Jason	.36	.39
Jodello	.06	.08
Keora	.03	.04
Kaw Crw	.01¾	.02¼
Kenricia	.23	.27
Kelrowe	.29	.31
Kewaga'a	.02¾	.03¼
Kiena	.17	.19
Kir Vit	.01	.01¼
Kirk Gate	.03¼	.04
Kir Hunt	.01	.01¼
Lacoma	.02¼	.03
Lake Duf	.32	.35
L Geneva	.08¼	..
Lardego	.03	.03¼
Lw Pete	.29	.34
Lucky K	.01¼	.02¼
Magnet C	.68	.70
Magnet L	.14	.16
Martin B	.06	.07
Martin M	..	.04
Margaret	.20	.22
Mata Can	.04¾	.05¼
Melba	.04¼	.05¼
Mof Hal n	.01¾	.03
McGregor	.01¼	.02¼
McVit Kir	.01	.01¼
Mooshla	.07	.08
Mosher	.12	.14
Mylamaq	.02¼	.03
Nat Mal	.18	.21
Negus	.75	.85
New Aug	.23	.26
New Rib'	.03¼	.03¾
Nickel O	.75	.85
Norbeau	.50	.55
Norlake	.01	.02
Oklend	.08	.09
O'Leary	.02¼	.03¼
Opemiska	.07	.09
Oriole	.02	.02¼
Orpit	.07	.08¼
Ossian	.02¼	.03
Pascalis	..	.32
Payore	.02¼	.03
Porc Lke	..	.08¼
Planet	.02¼	.02¾
Pontiac	.11	.13
Pelangio	.02	.03
Polaris	.51	.53
Private'r	1.13	1.16
Propri'y	1.88	1.93
Presdor	.05¼	.06¼
Queb Mn	.10	.11¼
Rand Ml	.17	.19
Red LGS	.01¾	.02¼
Rhyolite	.03¼	.03¾
Rose Gold	.06¼	.08
Rouyn Re	.01¼	.01¾
Sachigo	9.00	9.25
Shenango	.07¾	.08¼
Sheldon	.05	.06¼
Siscoe Ex	.01¾	.02¼
Skynner	.09	.10
Smelter	.03	.03¼
Spooner	.05¼	.06¼
Steep Rk	.80	.95
Sunbeam	.09	.11
Sun Bear	.00¾	.01
Surf Inlet	.16	.19
Springer	.10	.11
Thomp L	.29	.30
Tonawa'a	.01¼	.01¾
Union Mn	.07	.07¼
Walker P	.02¼	.03¼
Up Cana	.58	.60
Wesley	.01¼	.02
Wells LL	.15	.17
Westwood	.03	.03¼
Winoga cum rts	.05¼	.06
Woco	.20	.22
Y David'n	.27¼	.28¼

Montreal, August 15, 1939

	Bid	Ask
Abbeyv'e	.05	.07
Brown B	.01	.02
Chibmac	.02	.02¼
Demp'y	.01	.02
L Lag'n	.03	.05
L Rowan	.08¼	.09
Leroy	..	.01
Louvre	.01¼	.02
Obalski	.07	.08
Pan Can	.03	.04
Routh'r C	..	.03
Tiblem't I	.02	.03
Valdor M	..	.65
Warren'c	..	.05

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

Aug. 15, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Aug. 15	Asked	Bid Aug. 8
†Assoc. Tel. & T.	5½	'55	78¼	81¼	79
Beauharnois P.	5	'73	101	104	100
B. C. Power	4½	'60	103	106	103¼
B. C. Tel.	4½	'61	107¼	110¼	107¼
†Calgary Pwr.	5	'60	104¼	107¼	104¼
Do.	5	'64	104	107	104
†Can. Nor. Pwr.	5	'53	102	105	102¼
*Dom. Gas & El.	6¼	'45	97	100	97
Gatineau Pwr.	5	'49	103¼	106¼	103
Do., B	3½	'69	99¼	102¼	100
Gt. Lakes Pwr.	4½	'56	100¼	103¼	100¼
*Int. Hydro-E.	6	'44	85	88	84¼
▲Inter. Power	6	'55	101	104	101
Macl'n-Que. Pr.	4	'59	98	101	97¼
Mtl. L. H. & P.	3½	'56	104	107	104
Do	3½	'73	101¼	104¼	102
†Mtl. Tramways	5	'41	98¼	101¼	98¼
†Do.	5	'55	69¼	72¼	69¼
Nat. Lt. & Pwr.	6	'49	98	101	98
N. S. Lt. Pr.	4	'57	103	106	107
Ottawa H. & P.	4	'57	104	107	103¼
Ottawa V. Pwr.	5	'59	103¼	...	103¼
†Power Corp.	4½	'59	103	107	104
Quebec Pwr.	4	'62	104	107	103¼
*Saguenay P. A.	4½	'66	106	109	106
Do., B	4½	'66	106	109	106
Shaw. W. & Pr.	4	'61	103¼	106¼	103¼
Union Gas	4½	'50	103	106	103
†United Secur.	5½	'52	64	67	64
†Wpg. El Ser., A	4	'65	71	74	71¼
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	45	43	45¼
Acadia Sugar	4½	'55	102¼	105¼	102¼
†Alta. Pa. Grain	6	'46	89¼	92¼	90
Atlantic Sugar	4	'51	102	105	102
B. A. Oil	4	'45	101	104	101
†B. C. P. & Pap.	6	'50	52	55	54¼
*Brown Co.	5¼	'46	30	33	31
Burns & Co.	5	'58	36	39	39
Canada Bread	6	'41	106	109	105¼
Canada Cement	4½	'51	104	107	104¼
Can. Paper	4½	'52	100¼	103¼	100¼
Can. Steamship	5	'57	83¼	86¼	83¼
Candn. Canners	4	'51	102¼	105¼	102¼
*Can. Int. Paper	6	'49	88	91	88¼
†Candn. Vickers	6	'47	58¼	61¼	57
C. P. R.	3½	'51	82	85	83
Do.	4	'49	87	90	87
Do.	4½	'44	88¼	91¼	89¼
Do.	6	'42	101	104	101¼
Do.	4	perp	70¼	73¼	72¼
†Consol. Paper	5¼	'61	36	39	36
Dom. Coal	4½	'52	103	106	103¼
▲Dom. Stl. & C.	6¼	'55	108	109	109
Dom. Tar	4½	'51	103¼	106¼	104
†Donnacona P.	4½	'56	63	66	66
Famous Players	4½	'31	101	104	102
†Federal Grain	6	'49	93	96	93
†Fraser Cos.	6	'50	89¼	92¼	90
Gen. Stl. Wares	4½	'52	98	101	98¼
*Great Lakes P.	5	'55	79	82	79¼
†Gypsum Lime	5¼	'48	101	104	101
Ham. By-Pr. C.	5	'55	101	104	101¼
Inter-City Bak.	5¼	'48	103	106	103
*Int. P.&P. Nfld.	4½	'68	102	105	102
Lake St. John P. & P.	5¼	'61	73	76	73¼
Maple Leaf M.	3	'58	61¼	64¼	61
Massey-Harris	4½	'34	95	98	95¼
McColl-Front.	4½	'49	102	105	102¼
McCormick's	4	'52	91¼	94¼	91¼
*M. & O. Paper	6	'45	24	27	23¼
Nat. Grocers	4	'47	101	104	101
N. S. Stl. & C.	3½	'63	83¼	86¼	84
Pres. E. Dome	6	'43	102	105	102
Price Bros.	5	'37	90	93	90¼
*Prov. Paper	5¼	'47	102¼	105¼	102¼
Reliance Grain	4½	'52	84	87	85
Rolland Paper	4½	'31	102	105	102
Simpsons Ltd.	4½	'31	101	104	101
Smith, Howard	4½	'51	104	107	104
†Steel of Can.	6	'40	104	107	104
Uchi Gold M.	6	'41	95	98	95
*United Gas	5¼	'48	103	106	103¼
United Gr. Grs.	5	'48	96¼	99¼	96¼
†Western Grain.	6	'49	32	35	33¼

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
•Payable in U. S. only.

Mining Dividends

	Rate	Close Aug. 14	Yield %
Beattie Gold	15c	1.21	12.3
Bralorne	80c+30c	11.50	*9.5
Buffalo Ankerite	$1	9.15	10.9
Bulolo Gold	$3	23.50	12.8
Can. Malartic	9c	.75	12
Cariboo Gold	16c+4½c	2.25	*9.1
Central Patricia	16c+4c	2.42	*8.2
Coniagas	25c	1.60	...
Coniaurum	15c	1.74	...
Cons. Smelters	$1+$1	44.75	*4.5
Dome Mines	$2	32.50	6.2
Falconbridge	30c	5.75	5.2
Goldale	†2c	.18½	...
Gunnar Gold	6c	.49	12.2
Hedley Mascot	12c+4c	.75	*22.6
Hollinger	65c+45c	15.25	*7.2
Howey Gold	3c	.33	...
Hudson Bay	$1.50	34.00	4.4
Inter. Mining	40c	7.00	5.7
Int. Nickel, com.	$2	49.37	4.1
Island Mountain	10c	1.06	9.4
Jack Waite	†1½	.21	...
Kerr Lake	5c	.50	10
Kirkland Lake	8c+2c	1.47	*6.8
Kootenay Belle	16c+4c	.80	...
Lamaque Gold	30c+15c	6.70	*6.7
Lake Shore	$4	41.00	9.7
Lava Cap M.	11c	.76	...
Leitch	8c	.83	9.6
Little Long Lac	30c	2.98	10
Macassa	20c+7½c	4.75	*5.7
McGillivray Coal	3c	.21	...
McKenzie Red Lake	12c	1.28	9.4
Moneta	9c	1.00	...
McIntyre Porc.	$2	58.75	3.4
Noranda	$4	83.00	4.8
Nipissing	15c	1.35	...
North Empire	80c	9.25	8.6
O'Brien Gold	†10c	2.18	...
Pamour Porc.	8c	2.12	...
Pato Cons.	10c	2.20	...
Paymaster	2c	.44	...
Perron Gold	16c+1c	1.95	*8.7
Pioneer, B.C.	40c	2.48	16.1
Pickle Crow	40c	4.55	8.8
Placer Develop.	$1.20	13.00	9.2
Premier	12c	1.80	6.7
Privateer Mine	20c+2c	1.13	...
Quebec Gold	†2c	.30	...
San Antonio	14c	1.92	7.2
Sheep Creek	16c+2c	1.22	*14.7
Silbak Prem.	12c	1.20	10
Siscoe	12c	1.15	10.4
Sudbury Basin	5c	2.10	...
Sullivan Cons.	5c	.80	...
Sylvanite Gold	20c+5c	3.35	*7.
Teck-Hughes	40c+5c	4.25	*10.
Toburn	8c+6c	1.80	*7.
Ventures	15c	4.80	...
Wright-Harg.	40c+30c	8.00	*8.

*Yield including bonus. †Initial.

Municipal Bonds

Aug. 15, 1939

†Halifax	5	1961	113.00	115.00
Hamilton	5	1950	112.10	113.60
Montreal	5	1945	100.00	101.50
Ottawa	4½	1945	107.45	108.95
†Quebec	5	1959	107.00	108.50
Saint John	5	1950	107.00	108.50
†Toronto	4½	1955	113.15	115.15
†Vancouver.	5	1950	99.50	102.50
Winnipeg	5	1944	101.00	104.00

†Payable Can. and N.Y.

Investment Trusts

	Bid
Affiliated Fund	3.34
Can. Amer. Trust	3.25
Can. Inv. Fund	3.80
All Can. Trustee	12.00
Trans-Canada	11.60
Grouped Income	....
Can. Int. Tr., modified	4.75
Do., unmodified	4.25

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass ...	30c	Sept. 1	Aug. 15
Do., bonus	20c	Sept. 1	Aug. 15
Do., pref.	$1.75	Oct. 2	Sept. 15
Aluminum, p.	$1.50	Sept. 1	Aug. 15
Assoc. Brew.	20c	Sept. 30	Sept. 15
Do., pref.	$1.75	Oct. 2	Sept. 15
Beld.-Cort.	$1	Oct. 1	Sept. 15
Do., pref.	$1.75	Oct. 1	Sept. 15
Bank of Montreal	$2	Sept. 1	July 31
Bank of Toronto	$2.50	Sept. 1	Aug. 15
Banque Candn. Natle	$2	Sept. 1	Aug. 15
Borden Co.	30c	Sept. 1	Aug. 15
Can. W & C., A ...	$1	Sept. 15	Aug. 31
Do.	$1	Dec. 15	Nov. 30
Can. W. & C. pf.	$1.62½	Sept. 15	Aug. 31
Carnation, 1st pfd.	$1.25	Oct. 2	Sept. 21
Can. & Dom. Sugar	37½c	Sept 1	Aug. 15
Can. Int. Inv. Tr., p.	50c	Sept. 1	Aug. 15
Cosmos Imp., pref.	$1.25	Oct. 14	Sept. 30
Can. Inger. Rand ..	$1	Sept. 5	Aug. 15
Canada Dry	50c	Sept. 15	Sept. 1
Canada Starch, p. .	$3.50	Aug. 15	Aug. 8
Can. Indust., A, B	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 16	Sept. 30
Commoil	2½c	Aug. 29	Aug. 17
Dom. Ang. Inv., p.	$1.25	Sept. 1	Aug. 15
Dom. Oilcloth	30c	Oct. 31	Oct. 16
Dom.-Scot. Inv. pf.	80c.	Sept. 1	Aug. 21
Electrolux	30c	Sept. 15	Aug. 15
Firestone Pete. ...	▲	Sept. 5	Aug. 19
Ford Motor, A, B .	25c	Sept. 16	Aug. 26
Foundation Pete. ..	▲	Sept. 5	Aug. 19
Gatineau Pwr., c.	20c	Sept. 30	Sept. 1
Do., pref.	$1.25	Oct. 1	Sept. 1
Greening Wire ...	15c	Oct. 2	Sept. 15
Do., pref.	$1.37½	Oct. 1	Sept. 1
Hallnor Mines	15c.	Sept. 1	Aug. 15
Int. Nickel	50c	Sept. 30	Aug. 31
Inter. Mining	10c	Sept. 20	Aug. 31
Lake of Woods ..	$1.75	Sept. 1	Aug. 15
Lang J. A.	17½c	Oct. 2	Sept. 15
Loblaw Groc., A, B	25c	Sept. 1	Aug. 10
Louisiana Land ..	10c	Sept. 15	Sept. 1
Laura Secord	20c	Sept. 1	Aug. 15
Lava Cap G. M. ..	3c	Sept. 30	Sept. 19
Little Long Lac ..	10c	Aug. 26	Aug. 16
Loblaw Inc.	20c	Sept. 1	Aug. 15
Monarch Rylts. ...	▲	Sept. 5	Aug. 19
Montreal Loan	50c	Sept. 15	Aug. 31
McK. Red Lake ..	3c	Sept. 15	Sept. 1
Macassa Mines	5c	Sept. 15	Aug. 31
Do., extra	2½c	Sept. 15	Aug. 31
McIntyre Porc. ...	50c	Sept. 1	Aug. 1
Moore Corp., c. ...	40c	Oct. 2	Sept. 7
Do., pref. A & B	$1.75	Oct. 2	Sept. 7
Nat. Biscuit, pfd. .	$1.75	Aug. 31	Aug. 15
N. S. Lt. & Pr., pf.	$1.50	Sept. 1	Aug. 15
Niagara Wire	25c.	Oct. 2	Sept. 15
Noranda Mines ..	$1.00	Sept. 15	Aug. 21
N. S. Lt. & Pr., pf.	$1.50	Sept. 1	Aug. 15
Neon Pr. W. Can., c.	25c	Aug. 11	July 27
Ogilvie Flour, p. .	$1.75	Sept. 1	Aug. 19
Perron Mines	4c.	Sept. 21	Sept. 1
Do., extra	1c.	Sept. 21	Sept. 1
Photo Engrav.	30c	Sept. 1	Aug. 15
Paton Mfg., pfd. ..	$1.75	Sept. 15	Aug. 31
Prairie Rylts.	▲	Sept. 5	Aug. 19
Royal Bank	$2	Sept. 1	July 31
Rolland Pap., pref.	$1.50	Sept. 1	Aug. 31
Rem. Rand pf. ..	$1.12½	Oct. 2	Sept. 11
Do., c	20c.	Oct. 2	Sept. 11
Smith, H. Pap. pf.	$1.50	Oct. 16	Sept. 30
Stuart, D. A., pf. .	20c.	Sept. 1	Aug. 15
Sylvanite Gold ...	5c	Sept. 30	Aug. 19
Sec. Std. Rylts., pf.	1c	Sept. 1	Aug. 15
Sunset Oils	4c	Sept. 15	Sept. 5
Tip Top Tailors Inc., p.	$3	Aug. 14	Aug. 7
Toburn Gold	2c	Aug. 22	July 21
Do., extra	2c	Aug. 22	July 21
Union Gas	20c	Sept. 15	Aug. 19
Walker-G. & W.	$1	Sept. 15	Aug. 25
Do., pref.	25c	Sept. 15	Aug. 25
Weston, Geo., c. ..	20c	Oct. 2	Sept. 15
W'minster Paper ..	25c	Nov. 1	Oct. 15
Wilsil	25c	Oct. 2	Sept. 15

▲Distribution from production returns; rate not yet declared.

Foreign Exchange

AT TORONTO AND MONTREAL

U. S. Dollar	High	Low
Aug. 14	1.00	1.00
Aug. 12	1.00	1.00
Aug. 11	1.00	1.00
Aug. 10	1.00	1.00
Aug. 9	1.00	1.00
Aug. 8	1.00	1.00

U. K. Pound	Closing	Last Year
Aug. 14	4.68⅛	4.89½
Aug. 12	4.68⅛	4.89½
Aug. 11	4.68⅛	4.89½
Aug. 10	4.68⅛	4.90
Aug. 9	4.68⅛	4.89½
Aug. 8	4.68⅛	4.90

Other Currencies, Aug. 14

Australia ..	3.75	Italy	.0527
Belgium ..	.1700	Japan	.2733
Denmark .	.2090	Jugoslavia.	.0233
France ...	.0265	N. Zealand	3.76⅝
Germany .	.4014	Norway ..	.2355
Greece ...	.0087	S. Africa .	4.68¼
Holland ..	.5370	Sweden ...	.2415
Hungary .	.1975	Switzerland	.2260
India	.3505	Hong Kong	.2845

DIVIDEND NOTICES

The Bank of Toronto

Dividend No. 232

Notice is hereby given that a Dividend of Two and One-half per cent. upon the Paid-up Capital Stock of this bank has been declared for the current quarter, and the same will be payable at the bank and its branches on and after the first day of September next to shareholders of record on August fifteenth, 1939.

By Order of the Board.

F. H. MARSH,
General Manager.

"CANADA DRY"

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, a Delaware Corporation, held August 8, 1939, a dividend of fifty cents ($0.50) per share was declared, payable September 15, 1939, to stockholders of record at the close of business, September 1, 1939.

W. J. WILLIAMS, *Secretary*

Associated Breweries of Canada Limited

DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a Quarterly Dividend (No. 44) of 1¾% upon the outstanding Preferred shares of the Company has been declared payable on the Second day of October, 1939, to Shareholders of record at the close of business on the 15th day of September, 1939.

NOTICE IS ALSO GIVEN THAT A QUARTERLY DIVIDEND (No. 41) of 20c per share on the No Par Value Common shares of the Company, issued and outstanding, has been declared, payable on the 30th day of September, 1939, to Shareholders of record at the close of business on the 15th day of September, 1939.

By Order of the Board.

I. N. WILSON,
Treasurer.

Calgary, Alberta.
August 9th, 1939.

Dividend Notice
Commoil Limited

NOTICE IS HEREBY GIVEN THAT an Interim Dividend of 2½ cents per share has been declared on the outstanding no par value shares of the Company, payable August 29th, 1939, to shareholders of record at the close of business August 17th, 1939.

The transfer books of the Company will not be closed.

BY ORDER OF THE BOARD
G. J. McKay, Secretary.
August 4th, 1939.

A. J. PATTISON JR. & CO. Ltd.
Established 1907
CORPORATION SECURITIES
Royal Bank — EL. 5101
TORONTO

Textile Mill Efficiency

Competitors Pay Tribute to Canadian Operators

By JOHN LANGDON
Eastern Editor, The Financial Post

High rating of Canadian textile mills in efficiency of operations and quality of products has been largely overlooked in the attacks made on the industry from time to time. Tariff protection, wage rates and related matters have been given undue prominence, and the public has come to think of the textile manufacturers in this country as a body hiding behind tariff walls, meeting such competition as it must and making huge profits.

This has created a distorted and largely unfair impression of the record of the textile operators in this country. Rating of the industry as highly efficient is not the view of the men within the industry but of those who compete with them. The mills are not only regarded as highly efficient, but the quality of products is compared favorably with that of any other country.

Becoming More Efficient

No less an authority than the United Kingdom Department of Overseas Trade made the following observation on the Canadian market:

> "Last year the writer stated what is still true—that it is impossible to ignore the fact that the domestic mills are each season becoming more efficient and producing qualities and weaves which were formerly bought from the United Kingdom manufacturers."

Speaking of printed cotton fabrics for the making of shirts, Donald H. Stewart, head of the B.V.D. Co. in Canada, has the following to say of the products turned out by Canadian mills:

"The mills specialize in a few fabrics for which there is the greatest demand and concentrate on these cloths. It is my opinion that no finer fabrics of this type are turned out anywhere in the world. Canadian printing, by that I mean the printing of shirtings, is certainly excelled nowhere and manufacturers in other countries have more than once told me that they wish they could obtain this quality of printing.

"It seems that it has been a general practice in Canada for everyone to knock our Canadian textile mills. But it is usually done by those who know very little about textiles and it might not do any harm to realize that they are doing a real piece of work in some respects at least."

Other Items in Demand

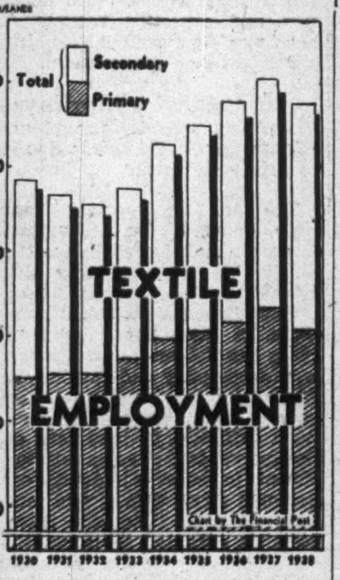
In the matter of silk hosiery it is a well-known fact, backed by the Canadian trade returns, that Canadian-made hosiery is highly regarded in more than one export market.

As to woollen cloths, knit goods, etc., the high quality of Canadian-made articles is well illustrated by the large purchases of American tourists on their visits to Canada. The American mills are not inefficient, so it stands to reason that the Canadian product is more attractive or superior in quality to the American-made article if the American visitor prefers it to what can be purchased at home.

Move With Times

The reason for the high standing of the Canadian mills is that they move with the times. The industry has been and is faced by rigid minimum wage rates prescribed by provincial governments and collective labor agreements which tend to "freeze" wages of skilled operators, it is pointed out by the 1939 edition of the Manual of the Textile Industry of Canada. Further they have had to meet low-priced competition on textiles from countries paying wages considerably below the Canadian level, as well as keen competition within the industry.

Textile mills in Canada have had no alternative but to look to new machinery as a means of securing minimum operating costs. Meeting the widely diversified needs of the Canadian market the industry must also install new machinery to keep pace with style changes.



$31 Millions for Machinery

Since 1930 the Canadian textile industry has imported textile machinery to the value of over $31.3 millions. In the last four years the average annual imports have been over $4 millions. During the nine-year period imports of United Kingdom textile machinery were valued at $6.3 millions; from the United States, $23.4 millions; Germany, $1.2 million; Switzerland, just under $200,000; France, about $175,000 and Italy, $38,000.

The trend since 1930 follows:

Textile Machinery Imports Into Canada	
1930	$4,017,269
1931	3,830,677
1932	2,422,055
1933	2,369,167
1934	3,560,134
1935	2,836,480
1936	3,545,161
1937	4,591,567
1938	4,161,795

Rank With Best

In modernizing their plants, says the Textile Manual, some Canadian mills have gone farther than others. It is indicated that a few units of machinery for woollen and worsted manufacturing, and for silk and rayon preparation and weaving, stand in need of renewal. Not all the cotton industry plants have taken advantage of recent developments, while a few of the knit goods concerns are behind the times.

But generally the attack of the Canadian industry on obsolescence, development of new style fabrics, and for increased efficiency, is widespread This is clearly indicated in the following table setting forth capital expenditures of a number of the larger companies during 1938:

1938 Capital Expenditures Canadn. Textile Companies	
Belding Corticelli	$ 119,184
Bruck Silk Mills	25,664
Canadian Celanese	250,000
Canadian Cottons	146,677
Courtaulds (Canada)	*3,000,000
Dominion Textile	445,463
Drummondville Cotton	250,000
Grover Knitting Mills	25,000
Guelph Carpet	5,000
Hamilton Cotton Co.	80,000
Montreal Cottons	119,000
Penmans Ltd.	52,348
Summit Dyeing Co.	25,000
Supersilk Hosiery Mills	110,000
Woods Mfg. Co.	82,062
York Knitting Mills	49,000

* Represents investment in plant addition completed in 1938.

The improvements naturally were not confined to those companies listed above Many others spent money on capital account, but for one reason or another do not make public details of such work. In this category the following companies carried out work last year: Associated Textiles of Canada, Esmond Mills, C. J. Grenier & Co., Newlands & Co., W. Robinson & Co., St. Andrew Woollen Mills and Weldrest Hosiery Ltd.

No Let Up

This modernization campaign of the textile industry is not a sporadic one. The figures on machinery imports indicate that it has been going on steadily over the past decade. As for the current year a number of companies have already announced programmes which will involve an outlay running into large figures.

An interesting feature of the modernization work carried out by the textile mills in this country is that the improvements have not been carried out at the expense of labor. This was brought out by the investigation carried out by the Turgeon Commission.

An expert engaged by the Commission to report on this situation had the following to say:

> "As a result of these improvements year after year the amount of work required of an operator to tend one loom on any given cloth, or to tend one spindle on any given yarn, has decreased. At the same time a study of the work done by weavers and spinners was carried on and many operations of an unskilled nature were taken away from these skilled operatives and handed over to less skilled operatives. Scientific standards of machine adjustment were set and machines maintained accordingly. Working methods and details were improved in the light of careful study in mills.

Decrease Real Work

> "The results of these changes can be seen in the constantly increasing number of spindles and of looms which can be tended by one operative with no increased effort. Both from observation in the mills where the work is still carried on according to the old, unspecialized method, and from the evidence of textile engineers who have actually studied the real work done by operatives under the conditions of 10 years or more ago, as compared with the conditions today, it can be stated that generally speaking the tendency, as the machines per operative increased, has been toward a decrease in the real work required of the operative per hour.
>
> "If these same improvements in machinery and in processing had been carried on without changing the assignments of machines per operative it is quite obvious, from the results of our studies, that operatives would now be standing idle for a majority of their time."

DIVIDEND NOTICES

Banque Canadienne Nationale

Quarterly Dividend

NOTICE is hereby given that a dividend of two per cent (2%) (being at the rate of 8% per annum) has been declared by the Directors of the Banque Canadienne Nationale on the paid-up capital stock of the Bank for the quarter ending on the 31st day of August, 1939. This dividend, bearing the number, No. 194, will be payable at the Main Office or at the branches of the Bank, on or after the first day of September, 1939, to the shareholders of record on August 15th.

By Order of the Board,

CHARLES ST-PIERRE,
General Manager.

Lake Shore Mines Limited

(No Personal Liability)

DIVIDEND NO. 78

NOTICE is hereby given that a quarterly dividend of One Dollar per share, on the issued capital stock of the Company, will be paid on the fifteenth day of September, 1939, to shareholders of record at the close of business on the first day of September, 1939.

By order of the Board.

KIRKLAND SECURITIES LIMITED
Secretary.

Dated at Kirkland Lake, Ontario,
August 15th, 1939.

Anglo-Canadian Telephone Company

Class "A" Dividend Notice

NOTICE is hereby given that a dividend of One and One-Half Per Cent (1½%) has been declared on the Class "A" Stock of the Company, payable September 1, 1939, to Stockholders of record at the close of business on August 15, 1939.

By Order of the Board.

GEOFFREY PURDY,
Secretary.

Montreal, August 14, 1939.

MACASSA MINES
LIMITED
(No Personal Liability)
DIVIDEND NO. 17
EXTRA DIVIDEND NO. 3

NOTICE IS HEREBY GIVEN that a quarterly dividend of 5c per share and an extra dividend of 2½c per share, making a total of 7½c per share, has been declared on the capital stock of the company and will be payable on September 15th next to shareholders of record August 31st, 1939.

By order of the Board.

L. SOLIAGUE,
Secretary.

Toronto, August 10th, 1939.

FORD MOTOR COMPANY OF CANADA, LIMITED

DIVIDEND No. 47

The Board of Directors has declared a cash dividend of twenty-five cents ($.25) per share, payable on all of the outstanding shares of the Company on September 16, 1939, to shareholders of record at the close of business August 26, 1939.

G. G. KEW,
Assistant Secretary,

Windsor, Ont.,
August 8, 1939

DIVIDEND NOTICES

The Bank of Nova Scotia

DIVIDEND No. 279

Notice is hereby given that a dividend of three per cent on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of September 15th, and that the same will be payable on and after Monday, the second day of October next, at any of the offices of the Bank in Canada.

By order of the Board.

H. F. PATTERSON,
General Manager.

Halifax, N.S., August 15th, 1939.

New Method Laundry Co. Limited

DIVIDEND NOTICE

Notice is hereby given that one quarter's dividend at the rate of 6½% per annum on the preferred shares of the Company has been declared payable on Friday, September 1st, 1939, to shareholders on record at the close of business on Monday, August 21st, 1939.

By Order of the Board.

JOHN P. SHEEDY,
Secretary.

Canada Cement Company Limited

PREFERENCE DIVIDEND No. 30

NOTICE is hereby given that a dividend of One Dollar and Twenty-five cents ($1.25) per share on the Preference Stock of this Company has been declared, payable on the 20th day of September next to Preference shareholders of record at the close of business August 31, 1939.

By Order of the Board.

G. A. RUSSELL,
Secretary.

Montreal, August 15, 1939.

Europe Makes Drive For U. S. Paper Trade

From Our Own Correspondent

MONTREAL.—United States imported 1,193,062 tons of newsprint paper in the first half of 1939. This represents a gain of 15% over the same period last year. The European countries during this period increased their shipments to the States by 36%; Canada, 23%; and Newfoundland, 63%.

Of greater interest is the prospect that European imports into the States this year will set an all-time record, whereas newsprint brought in from Newfoundland and Canada will be well below their peak years.

Inter. Utilities Corp.

International Utilities Corp. and subsidiaries report, for the year ended Dec. 31, 1938, net income of $576,973 after U. S. and Dominion income taxes, interest, amortization, depreciation, subsidiary preferred dividends, minority interest, and other charges. The net figure is exclusive of net profits or losses on sale of securities, which were carried to surplus.

This compares with revised net income of $619,776 in 1937, exclusive of net profit or loss on sale of securities.

Above figures are exclusive of certain subsidiaries included under investments in consolidated balance sheet. Accounts of Canadian subsidiaries of Dominion Gas & Electric Co., maintained in Canadian currency, are stated dollar for dollar in U. S. currency.

Smelter Gold announces an offering of shares to present stockholders. Total of 200,000 shares is being offered, the first 100,000 at five cents up to August 28. Purchasers of this initial offering are given rights to purchase an equal number at 10 cents up to Oct. 2. Company is preparing diamond drilling to prove the full length and width of the Rowan Lake property. It is also planned to drill for a possible extension of a find made on the adjoining claims. Previous work consisted of shallow pits blasted into an area 77 ft. long and 27 ft. wide where assays ranged up to $85.40.

Sigma Mines (Quebec) showed increases in both total recovery and tonnage of ore milled in July compared with the previous month as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July, 1939	21,103	681	7.66	161,566
June, 1939	20,216	677	7.75	157,513

Week in Wheat

Wheat Markets Await European Crop News

Extent of Possible Operations of Canadian Government Also Curtails Activity — Changes in Regulations Announced

From Our Own Correspondent

WINNIPEG.—The wheat market, with prices only slightly above 50 cents a bushel, is unable to stir a great deal of interest, and present trading is as quiet as might be expected from prices. It would appear that a revival of both interest and prices is to be expected only when the opinion is reached that bearish factors in the wheat situation have been finally discounted to the full.

For the moment there is a tendency to await developments, the most important of which are in connection with harvesting the European crop. It appeared for a time as if prevalence of wet harvesting weather was going to impair the European crop to a very serious extent. A return of dry and sunny weather this week over the greater part of Europe checked the deterioration of the crop, and the extent of the damage caused is still problematical.

Trading interest in the market is checked by the possibility that the Canadian Government will be responsible for the whole Western crop, either through the Wheat Board or the selling agencies which are to be authorized under the Wheat Co-operative Marketing Act.

Probably it will be some time before the market understands how the latter are likely to operate. But such agencies are not likely to have any volume of wheat to handle for some months. Farmers are likely to hold any wheat which they cannot dispose of to the Wheat Board until they decide as to whether or not there is a fair chance of a rise in the market. The price available to them on such surplus wheat would be valuable during the early part of the crop year as a stop loss enabling them to hold wheat for a rise.

* * *

All Wheat Being Offered

Disappointing coarse grain crops in large parts of Manitoba and Saskatchewan might have occasioned some bullishness in the markets for coarse grains. But large quantities in prospect of low grade wheat, which will be sold for feed in export markets, or in eastern Canada, check such tendencies. The fact that the Wheat Board is paying more than market prices for such grades of wheat, and that low as Wheat Board prices are, they are proportionately higher than open market prices for coarse grains, will probably mean the marketing of nearly all wheat by farmers, and the retention of coarse grains for home use on the farm.

For a time there were suggestions by some market observers that the accumulation of war reserve wheat stocks by different European governments, and the fact that such operations are perhaps completed, might result in international wheat trade being in smaller volume this year than last. Analysts of the year and carryover position are now pointing out that privately owned reserves of wheat and flour have possibly decreased to an extent that would counterbalance the accumulation of government stocks. Factors in this are the present tendency of the individual to leave responsibilities to governments, and the difficulties of private persons holding any substantial quantities in countries in which prices are kept high by extreme restrictions on imports.

* * *

Permit Plan Dropped

The Canadian Wheat Board announced this week that in spite of its earlier statement, it was not going to require the taking out of permits and the making of sworn statements by farmers delivering wheat to it this year. The permit system was planned as a means of enforcing the limitation of 5,000 bushels on the quantity of wheat which the Board might accept from a single producer.

The plan was that on each permit would be endorsed all of a farmer's deliveries of wheat, and in addition the farmer would be obliged to swear to a description of his farm, and an undertaking that he would not deliver more than 5,000 bushels from the land described, nor allow wheat to be delivered to the Board except under that permit. The plan immediately aroused hostility and gave rise to protests. The great majority of farmers, of course, do not produce 5,000 bushels of wheat, and many of these objected to the procedure of taking out a permit before they would be allowed to dispose of their wheat.

* * *

To Enforce Regulations

The Board makes it clear that abandonment of the permit plan does not mean relaxation of the regulations against one producer delivering more than 5,000 bushels of wheat of his own production. Farmers who do not obey the law in this respect, or resort to subterfuge to evade the regulation, leave themselves open to prosecution. While the permit system would have made it easier to enforce the regulations, it is quite possible that the cost of administering it, and the inconvenience caused both to farmers and to elevator companies in handling the permits, would have more than counterbalanced any savings.

Criticism of another regulation of the Board is being made in some quarters. It is announced that members of a community farm will each be considered entitled as producers to market 5,000 bushels in their own names, or on account of the community. There are a number of such communities, of Doukhobors and similar bodies.

Neighboring farmers, where several sons are operating in conjunction with their fathers without division of land in the family, are likely to consider themselves as much entitled as members of an organized community to get the full benefit of individual deliveries. The extent to which they are entitled to such a privilege is somewhat difficult to establish under the provisions of the Act and the regulations of the Board. In some cases at least such family groups may be able to bring themselves within the scope of the regulations.

* * *

Co-operative Organizations

Plans are still in process of formation for handling wheat which cannot be delivered to the Wheat Board under co-operative plans set up under the Wheat Co-operative Marketing Act. Under that act the initial price which could be paid to farmers would be based on 60 cents a bushel, as compared with the 70-cent basis applying on board wheat, with a further reduction to take care of estimated operating expenses.

When the Government refused to allow the Wheat Board to handle such wheat under a plan subsidiary to its main operations, there was some talk of organizing a single selling agency to act on behalf of all elevator companies in the West. That plan appears to have been dropped, and it is also understood that the provincial pool organizations are not likely to operate as a unit, bringing into operation the old pool central selling agency.

Instead it appears likely that each of those organizations will operate on its own account, while each of the other larger elevator companies is also likely to set up an organization for serving its own customers who may have such "surplus" wheat to market. A series of conferences was held last week in Winnipeg between officials of the Department of Agriculture and different elevator interests. While some plans were drafted it is understood that no announcement of details is likely to be made until such plans have received government approval.

Montreal Board of Trade Hits Port Administration

From Our Own Correspondent

MONTREAL. — An undercover fight which has been going on for some time between the Montreal Board of Trade and Hon. C. D. Howe, Minister of Transport, in regard to management of the Port of Montreal, port dues and top wharfage charges, has been brought out into the open.

The Board of Trade has released the report of its committee which has been dealing with the matter and Mr. Howe's reply to same.

The committee charges "the present system of harbor administration has proved unsatisfactory." It states that the present system does not conform to the recommendations of the Gibb Report and suggests a local advisory committee should be set up in the Port of Montreal, composed of representatives of users of the port

The higher port charges imposed by the National Harbors Board last year are subjected to sharp criticism by the Board of Trade. Its committee suggests top wharfage on local freight be modified and that a still further reduction be made applicable to through freight. It also recommends wharfage charges be on a weight rather than a measurement basis and that dockage charges and shed rentals be reduced. The committee also asks that the Government take prompt action to levy canal tolls on foreign vessels trading from overseas ports to ports on the Great Lakes.

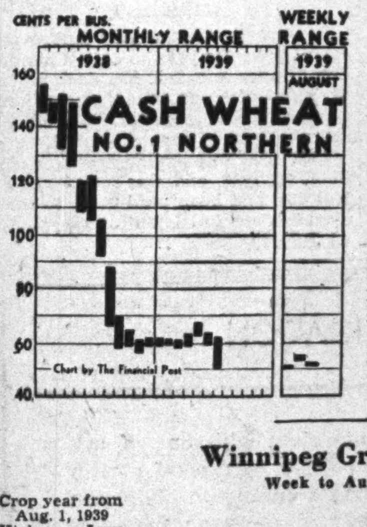
Another matter which comes in for severe criticism by the Board is alleged unfair competition from the Port of Sorel. It claims that competition from the privately owned elevator at Sorel is undermining Montreal's grain trade and recommends that this port be brought under the control of the National Harbors Board.

The committee also recommends that the National Harbors Board should be relieved of the management of the Jacques Cartier Bridge and that operation of the cold storage plant be transferred to the Department of Agriculture.

The charges of the Board of Trade are denied by Transport Minister Howe, who also rejects the various recommendations made by the committee. He states that "the report is neither broad in its outlook nor unbiased in its approach," and suggests that it is merely an ex-parte statement made primarily on behalf of local interests required to pay port charges.

Mr. Howe, in his reply, deals with the various charges and recommendations in detail. He points out that 1938 was a record year for traffic at Montreal and the tariffs complained of were fully in force throughout that season of navigation.

Wheat Prices



(Cash Quotations)
For Week

	Aug. 15 High	Aug. 15 Low	Prev. Week High	Prev. Week Low
1 Hard	.54⅛	.51¾	.55⅝	.53⅝
1 Northern	.53⅝	.51¼	.54⅞	.53¼
2 Northern	.50⅛	.48	.51⅜	.49¾
3 Northern	.45⅞	.44	.47⅛	.45½
4 Northern	.42⅜	.40¼	.43⅜	.41⅞
5 Wheat	.38⅝	.36¾	.39⅜	.38
6 Wheat	.34⅝	.32¼	.35⅜	.34
Feed Wheat	.33⅞	.31¾	.34⅞	.33½

Combined Export Prices:
August shipments.

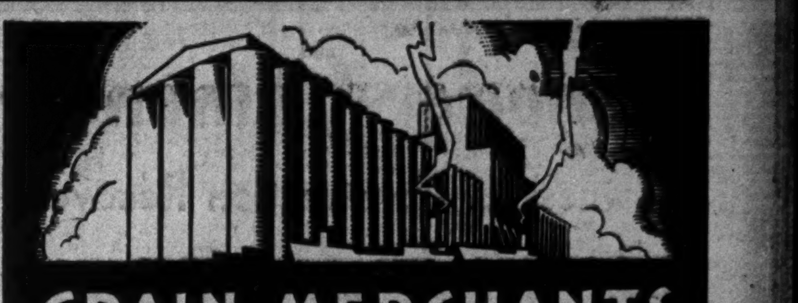
	Week to Aug. 15	
No. 1 North. (Vanc.)	.67¼	.65¾
No. 3 North. (Vanc.)	.61¾	.60
No. 1 North. (Atlan.)	.69⅞	.67¼
No. 2 North. (Atlan.)	.66⅛	.64
U. S. Hard Winters	.57⅜	.56⅝
Australian (afloat)	.54⅛	.52⅝
French, soft	.51¼	.49¾
Argentine Rosafe†	.50½	.49¾

†63½ lb. May.

Winnipeg Grain Futures

Week to Aug. 15, 1939

Crop year from Aug. 1, 1939 High	Low		Open Aug. 9	High for week	Low for week	Close Aug. 15	Close year ago
		Wheat					
.54⅝	.50¼	Oct.	.52½	.53½	.50¼	.50¾	.67¼
.56	.51⅝	Nov.	.53⅛	.54⅞	.51⅝	.51⅞	.67¼
.56	.51½	Dec.	.53¾	.54⅞	.51½	.52⅛	.65⅞
.59⅛	.54⅞	May	.56¾	.57⅞	.54⅞	.55⅝	.68⅞
		Oats					
.28⅜	.26⅜	Oct.	.27⅛	.27½	.26⅜	.27⅛	.30¼
.27⅞	.26⅛	Dec.	.26½	.27	.26⅛	.26½	.28¾
.29⅝	.27½	May	.28⅜	.28⅝	.27½	.27¾	.....
		Barley					
.36	.33½	Oct.	.34¼	.35¼	.33½	.33⅜	.38¼
.36	.33	Oct. (new)	.34	.34¾	.33	.33	.....
.36⅜	.32¾	Dec.	.34⅛	.34¾	.32¾	.32¾	.37⅝
.38¾	.33¾	May	.36	.36⅜	.33¾	.33¾	.38¾
		Flax					
1.34½	1.26⅞	Oct.	1.28	1.31	1.26⅞	1.27	1.41
1.29	1.24½	Dec.	1.25¼	1.29	1.24½	1.24½	....
		Rye					
.39⅛	.36½	Oct.	.37¼	.37¾	.36⅛	.36¼	.40½
.40⅛	.37½	Dec.	.38⅛	.39⅛	.37½	.37½	.41⅛
.40½	.40	May	.....	.40⅛	.40	.40½	.43⅝


GRAIN MERCHANTS
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Country Elevators
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MEMBERS
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Chicago Board of Trade
New York Produce Exchange
and other Exchanges
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Commodity Prices

Heavy selling of September futures by speculators and renewed international tension have brought lower quotations in most industrial commodities. Rubber was one of the strong spots owing to the fact that factory demand has been substantial, while the speculative position has not been so extended as in some other commodities. Raw silk was slightly firmer, increased tension in the Far East being a factor in this instance. Wheat eased when the estimate of the United States crop was increased to 731 million bushels.

	Latest week	Previous week	Same week last yr.
Cattle	$6.65	$6.50	$7.60
Hogs	8.60	9.25	10.50
Copper, lb.	.10¼	.10¼	.10⅛
Cotton, lb.	.0933	.0955	.0825
Rubber, lb.	.1658	.1670	.1600
Sugar, raw, lb. ...	.0280	.0290	.0275
Silk, lb.	2.66½	2.62	1.72½
Wheat, Man. (bu.)	.51¼	.54⅞	.77¾
Coffee, lb.	.05⅛	.05⅛	.06½
Hides	.11½	.12	.11½
Weekly Indices			
Canada (D.B.S.) ...	72.3	72.1	77.2
Do., Wood, Gundy	83.9	84.1	86.1
U. S. Labor	75.1	74.8	78.4
Dow Jones (future)	47.11	47.66	46.79
Crumps (Brit.)	70.5	70.5	72.7
Fishers'	78.1	78.6	80.2
Monthly Indices			
Canada (D.B.S.):			
Retail (July)	83.1	82.9	84.2
W'sale (June) ...	73.3	73.7	80.1
U. S. (May)	76.2	78.1	78.7
Gt. Brit. (June) ...	98.1	97.8	100.7

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides — No, 1 packer light.

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Canada Cement—Building Reflector

Slowness of Construction Recovery Curbs Pace of Company Betterment

By JOHN LANGDON
Eastern Editor, The Financial Post

Business recovery cannot be maintained unless there is an expansion in the whole industrial structure. Hand-to-mouth buying of necessities and the ordinary replacement demand have never been sufficient to support a sound revival in industrial activity.

Canada Cement Co. is in an excellent position to benefit, not only from normal replacement demand for concrete, but also from the expansion in the "capital goods" industries.

If it is built of cement, whether it be a foundation, retaining wall, highway, bridge, or any of the thousand and one uses to which cement is put, the chances are 4 to 1 that the product of Canada Cement will be used.

This company handles four fifths of the total cement business in the Dominion. Its properties include manufacturing plants at Montreal East and Hull, in Quebec; Belleville and Port Colborne, in Ontario; Tuxedo, in Manitoba; and Exshaw in Alberta. Operating at capacity these plants can produce around 12 million barrels of cement annually, or nearly two and a half times the current requirements of the Dominion.

To bring about efficient and economical distribution of the output of these plants, the company has storage and shipping plants at a number of points: Saint John, Halifax, Quebec, Toronto, Windsor, Chatham and elsewhere.

Buy for Future

Despite the company's pre-eminent position in the Canadian cement industry, and despite its sound and highly efficient management, the company has no profits available for paying any dividends on its common stock. Nevertheless there is a steady demand at all times for the stock. It is being bought and put away by the farsighted investor who may be scared of what may happen over the next six months but who has confidence in the long term outlook for the country and in turn Canada Cement.

Canada Cement's common stock is speculative. There is no argument on that score. Why then should any investor buy the stock, even for a long hold?

There is an adequate answer to this natural question, but in order to understand and appreciate the present position of the company and the reason for confidence in the long term possibilities, it is necessary to go back to 1909 when the predecessor company of Canada Cement came into being.

"In the Good Old Days"

At that time there were a large number of cement companies operating in this country. Some of the plants erected prior to 1909 by well-meaning enthusiasts were capitalized at too low a figure, with the result that the companies concerned sometimes had to go into debt to complete the plant and had no working capital to carry on operations.

There was a scramble for business and carloads of cement from different plants, especially in eastern Canada, were crossing those of competitive plants. Prices were cut even below the cost of production. This resulted in a lowering of the quality of the product and a falling down of equipment. Of profit there was little or none, so that even the strongest companies were faced with a prospect of run down manufacturing plants and no returns on their investments.

Max Aitken to Rescue

At this point a young Montreal financier by the name of Max Aitken entered the picture. He saw the possibilities of consolidating the various and conflicting interests of the cement operators. In the fall of 1909 he brought into being the Canada Cement Co. This was the first and probably one of the most important deals put across by Max Aitken, later to become a power in the English publishing and political life under the name of Lord Beaverbrook.

Around him Max Aitken lined up such figures in the early industrial and financial life of Canada as Sir Sandford Fleming, J. M. Kilbourn, J. R. Booth, George E. Drummond, Hon. W. C. Edwards, W. D. Mathews, Hon. Robert MacKay, W. H. E. Bravender, Hon. Geo. A. Cox, C. H. Cahan and C. C. Ballantyne. In addition he strengthened his board with the inclusion of several men prominent in the American cement industry.

Max Aitken brought together in this merger 12 companies, operating as far west as Blairmore, Alta., and as far east as Montreal. The names of the merged companies are no longer important for they have long since lost their identity in that of the parent concern.

Stabilized the Industry

While Canada Cement Co. was not a pioneer in the field, the formation and operation of this company brought about a stabilization of the cement industry in Canada.

In 1910 and subsequent years Canada Cement established prices based on mill costs, with a margin of profit plus freight charges to destination.

Shipments were made to a certain territory from the nearest mill, thereby eliminating cross-freight charges.

Its plants were overhauled and brought to a state of efficiency that was reflected in the higher and more uniform quality of the cement.

An advertising and publicity campaign was undertaken to put before the public the advantages of concrete construction and to educate engineers, contractors and user in the best methods of using cement. The result was a large increase in the sale of cement and a marked improvement in the quality of the concrete made.

Reason for Success

Max Aitken had the vision and imagination to see the possibilities in merging the cement companies into a national organization, but a large measure of credit for the success of the merger goes to Frank P. Jones. The latter's driving force, exceptional business acumen, mastery of manufacturing processes and ability to develop men, brought the company to the point where it was universally regarded as the soundest industrial enterprise in the Dominion. From the investors' point of view it long ranged as the most satisfactory and safest medium for investment.

Under Frank P. Jones's regime Canada Cement grew and grew. Net profits available for dividends expanded from $75,296 in 1909 to nearly $1.6 million in 1926. Regular dividends were paid on the common stock commencing with 1910 until it was retired at the end of 1927. An initial dividend of $3 a share was paid on the common stock for 1915; 4½% in 1916; 6% in 1917 and thereafter until the property was sold to the present company.

In the fall of 1927 Canada Cement stood out among Canadian corporations as one of the most successful industrial undertakings in the Dominion. Its operations were on a national scale. Its policies had stabilized the cement industry, improved quality, etc. The company was making money steadily; had adequate reserves to take care of lean years; and its stock was one of the "blue chips" on the Montreal Stock Exchange.

J. H. Gundy Takes Over

From then on Canada Cement entered into the second period of its career. J. Harry Gundy, of the investment firm of Wood, Gundy & Co., offered common shareholders a substantial premium for their stock. This was accepted.

Toward the end of August a new company of the same name was incorporated. The old securities were redeemed and new securities sold to the public.

The financing resulted in the issuance of $20 millions of 5½% bonds; $21 millions of 6% sinking fund preference stock and 600,000 shares of no par value common stock.

In many quarters it has been felt that the company was overcapitalized. Undoubtedly the increase in the funded debt was not a favorable factor from the angle of the shareholders. However, on the basis of earnings at the time the financing was carried out, the capital structure created was not too unwieldy. Had it been possible to foresee the coming depression, other financial arrangements would have been made.

Run Into Bad Times

From 1932 to 1937 the cement business in this country underwent a very sharp contraction. So, too, did earnings of Canada Cement.

Preferred dividends ceased after September, 1932. No dividends have ever been paid on the common stock by the present company. But despite the very adverse business conditions and the greatly increased debt structure during this period, Canada Cement met all charges in connection with its funded debt.

During 1937 and 1938 conditions turned for the better. Earnings of the company improved. In March, 1937, dividends were resumed on the preferred, distribution ranging from $1 to $1.25 a share quarterly, the latter rate now being paid. At this time the preferred is in arrears to the extent of $32 a share.

The failure of the company to maintain earnings over this five year period was not due to any fault of the management. It was simply that business did not exist. At other times the company had run into like conditions and earnings had declined to small proportions. However, in good years the old company had been able to build up reserves which carried it through the bad years comfortably.

Unfortunately the new company had not been in existence long when the depression set in. Consequently it was not able to do more than to maintain fixed charges, but in doing so the achievement must be considered as something out of the ordinary in view of the prevailing conditions.

Build Up Position

Though earning power of the company was not impressive in the 1932-1936 period, the management was able to bring about a definite strengthening in the company's position. Advantage was taken of the slackness in business to further improve the efficiency of manufacturing and distributing facilities. By the beginning of November, 1936, the debt had been reduced to about $17.1 millions.

The cheap money market enabled Canada Cement to refund the old bonds on a lower coupon basis. The 5½% bonds were redeemed, being replaced with $16.5 millions of bonds carrying a much lower coupon. Part of the new bonds are of the serial type. By the beginning of last November the debt had been reduced to $15 millions. This represents a reduction in the funded debt of the company of $5 millions since 1927.

Of even greater interest to the shareholders is the reduction in fixed charges. Bond interest charges last year totalled $616,882. Five years previously these charges were over $1 million.

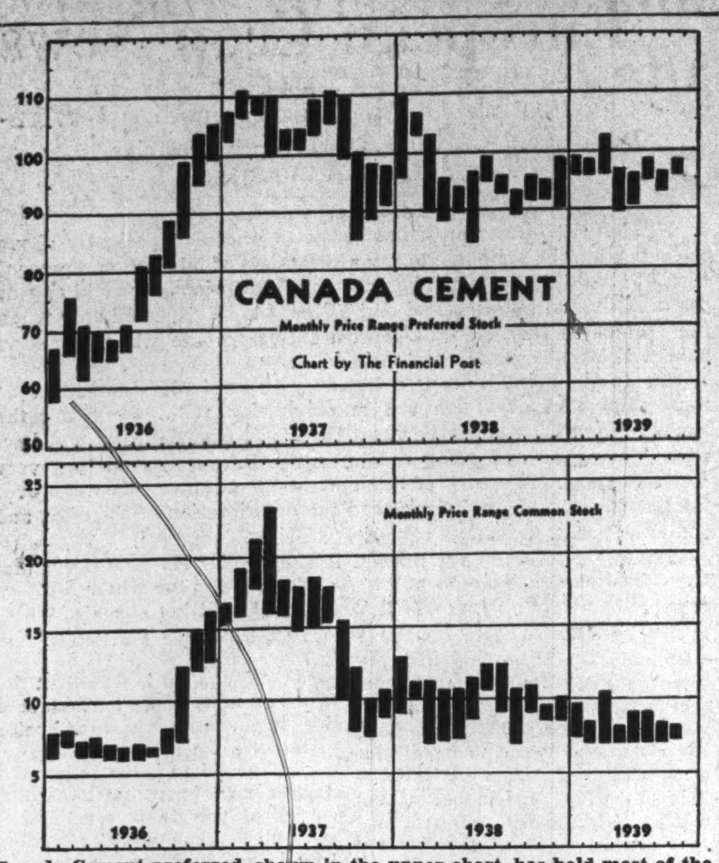
Signs of Strengthening

The years 1937 and 1938 witnessed an improvement in business and the demand for cement improved. Earnings of Canada Cement also moved ahead. Earnings on the preferred stock increased to $7.27 a share in 1937 and $5.60 a share in 1938. Moreover it was apparent that the sums of money spent on plant during the depression years had improved efficiency to the point where the profit per barrel of cement sold was appreciably greater than in the predepression years.

Again it will be noted from the returns that during this period the company was able to maintain its working capital position. At the close of the 1938 fiscal year current assets to current liabilities were in the ratio of 4.63 to 1. It is necessary to go back to 1917 to find a time when the liquid position of the company was stronger.

Ready for "The Day"

At this stage in its career Canada Cement is in a position where its plants are at a higher state of efficiency than ever before in their history. Given the volume of business, substantial earnings can be developed and the common stock taken out of the speculative class. That is not likely to happen in the next year or two. The stock will likely rank as a speculative issue for some time to come.



Canada Cement preferred, shown in the upper chart, has held most of the big gains made during the last months of 1936 and the first part of 1937, but the common (lower chart) has not.

In view of the progress made in the past few years, however, it is conceivable that the new common stock of Canada Cement may some day occupy the position of the old common stock in the mind of the investor.

Depends on Business

That happy state of affairs depends, as said at the beginning of this survey, on a return to a sustained business recovery. If cement production in this country were to return to the predepression level there would be a very sharp increase in earnings of Canada Cement and if maintained for any length of time, the way would soon be paved for the payment of dividends.

What the depression years meant to Canada Cement in the way of restricted business is clearly shown in the following table covering the trend of production and apparent consumption:

Cement in Canada

	Production	Consumption
	—— barrels ——	
1910	4,573,975	5,100,285
1915	5,681,032	5,709,222
1920	6,651,980	5,849,276
1925	8,116,597	7,140,531
1929	12,284,081	12,105,950
1930	11,032,538	10,977,238
1931	10,161,658	10,085,986
1932	4,498,721	4,466,739
1933	3,007,432	2,974,020
1934	3,783,226	3,727,521
1935	3,648,086	3,610,217
1936	4,508,718	4,479,656
1937	4,939,030	6,157,485
1938	5,507,014	......

Earnings of the company have been influenced by production very closely. It should be borne in mind that the company handles about four fifths of the total Canadian business, so that earnings of the company bear a very close relationship to output.

New Work Subnormal

No one can say how long it will be before Canada Cement's earnings have been built up to a point where it can pay dividends on the common stock.

Canada Cement prospers when there is new building, construction of bridges, extension of hard-surface highways, etc. There has not been much building until the last couple of years and even then the value has been below the average prevailing in the years up to 1932.

This is shown in the following table setting out the value of building contracts let in recent years:

Construction Contracts Awarded in Canada
Millions of $

	Residential	All Construction
1931	81.7	315.5
1932	28.9	132.8
1933	23.9	97.3
1934	30.0	125.8
1935	36.4	160.3
1936	42.9	162.6
1937	56.2	224.0
1938	55.0	187.1

Help Along Recovery

Until the capital goods industries are active, the business recovery will be of short duration. Recognizing this the governments and others have taken steps to stimulate new building, etc. Various schemes have been proposed and a number adopted.

The Dominion Government has fostered two pieces of legislation of direct interest to the company. The first is the Home Improvement Plan and the other is the National Housing Act. Indirectly the Government has encouraged the building industry and the use of durable goods, such as cement, through a fairly widespread public works programme.

Both the H.I.P. and the N.H.A. have been the means of stimulating new building. They have been a major factor in the marked improvement in dollar returns for the past two years.

The work carried out by the Dominion Government, often in co-operation with the provincial and municipal governments, also has contributed to improving the position of the capital goods industries.

Private capital, too, has shown some signs of spending more freely. A number of important industrial undertakings have been completed in the past 24 months and others are planned.

Another field holding promise for Canada Cement is the extension of hard-surfaced highways. To date the amount of concrete highway construction in this country has been limited, but there are indications of greater outlays by the provincial governments in this regard.

Canada Cement's "Eldorado"

Though still in the "talk stage," one of the most important engineering jobs that this country can undertake, from the point of view of Canada Cement, is the development of the St. Lawrence Waterway. This scheme has run into difficulties from time to time, because of political opposition from either Quebec and Ontario. However, it is always possible that this work will be undertaken.

When that happens the demand for cement will rise to a new level and Canada Cement Co. will be in enviable position.

The near term outlook for Canada Cement does not hold out promise for any startling change in the demand for cement. But as long as the demand is maintained at or near recent levels, there is no reason why the company cannot go on improving and strengthening its position to the advantage of the common shareholders. If demand ever returns to the level of 10 million barrels, which happened in 5 out of the last 12 years, Canada Cement's common stock will come into its own.

Optimism With Caution

Such hopes may be regarded as too optimistic but with demand on a more moderate scale—between 6 million and 8 million barrels annually—Canada Cement could, in a comparatively few years, place its finances on a basis where the common shareholders could share in the earnings.

Before that can happen a number of hurdles have to be jumped.

The short term bonds will be eliminated by 1944 and a long term debt of $10.5 millions left.

The arrears on the preferred will have to be cleared up, either by cash payment or settlement.

Such obligations appear particularly heavy at this time. Still the progress made the past few years, when business was at an abnormally low level, lead to the belief that as a long hold the common stock of Canada Cement Co. has better than ordinary possibilities. If there is a recurrence of the 10 million barrel years, the holder of Canada Cement common will be repaid for his patience and confidence.

Meanwhile the common stock is far from dividends.

Canada Dry Declares Dividend on Common

Reflecting substantially improved earnings in the year to date, Canada Dry Ginger Ale, Inc. has declared a dividend of 50 cents a share on the common stock, payable Sept. 15, to shareholders of record Sept. 1.

Last previous payment was made Sept. 19, 1938, and was for 25 cents. Nothing had been paid prior to that since a 10-cent distribution was made on July 15, 1935.

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Dosco

As a subscriber of The Financial Post I would appreciate your opinion on the "B" stock of Dominion Steel and Coal Corp. In particular I would like to know the prospects for operations and earnings during the balance of the year.

Dominion Steel and Coal Corp.'s operations are at capacity. Indications are that the Sydney steel mill will continue that way until the end of the year, while the coal mines will have a better year than has been reported for some time past. On the other hand the prices of steel and steel products have declined this year so there is the expectation that net profits of the company may not be as high as in 1938 despite the better operating ratio. However, indications are that the result will be regarded as favorable. As a hold, the "B" stock of this company is regarded with considerable favor.

Building Products

Will you kindly let me have a report on Building Products? I understand that their earnings are running ahead of last year.

Building Products Ltd.'s profits for the current fiscal year are likely to be the highest in the history of the company. It is expected that net profits will exceed 1929, when $418,482 was reported, and may possibly amount to $1 a share on the new common stock. Last year the company reported a profit of $373,994, the highest since 1929. Earnings were equal to 77 cents a share on the new common stock, while the amount distributed in dividends was equal to an annual distribution of 70 cents a share. The working capital position continues strong and the company has ample funds to take care of any further expansion of business.

Canadian Celanese

I would appreciate a report from you on the current position of Canadian Celanese Co.

Canadian Celanese profits are running substantially higher this year. Earnings available on the common stock for the first half of this year amounted to $1.13 a share as compared with 40 cents a share for the same period in 1938. Prospects for the second half of the year continue promising. At present the Drummondville plant is working at capacity and the company has sufficient orders on hand to keep operations at a high rate for quite some time to come. While it is too early to forecast what net profit for the current year will be, it now appears that final results for 1939 will exceed the 1938 figure of $1,317,248.

Mersey Paper

Would you please publish in your valuable paper your opinion of the Mersey Paper Co.'s bonds which I am thinking of buying?

Despite the difficulties encountered by the industry in recent years Mersey Paper Co. has been able to earn all its debt charges. All interest has been earned from 1.64 to 2.15 times from 1935 to 1938. This was before depreciation. The company follows a policy of appropriating all earnings, after interest charges, for the depreciation reserve. In 1938 the net earnings amounted to $852,933 and interest on bonds alone, $399,855. In view of the company's record, there is reason for believing that Mersey Paper will be able to continue earning its bond interest without difficulty.

Of the two securities mentioned, of course, the 5% bonds of 1957 are the best. They represent a first mortgage and rank senior as a charge against earnings to the general mortgage bonds of 1949.

C. P. R. Common

What is the outlook for a dividend on Canadian Pacific Railway common stock? Do you think this stock will appreciate?

Immediate outlook for the C.P.R. is not overly bright and there is little prospect of resumption of common dividends in the near future. Last year the common earned 30 cents a share on its common stock and earnings this year are not likely to be much, if any, better. Net earnings from railway operations in the first five months of the year showed an improvement of $2.1 millions, but other income from steamships, hotels, telegraph and investments will probably be smaller.

The outlook for C.P.R. common is dependent upon substantial economic recovery in Canada, especially in the West. Prospects are that there will be a larger grain crop in the West this year and this should have a favorable effect, although prices are only fair.

Can. Inter. Paper

As a reader of your paper I would appreciate your comments on the Canadian International Paper 6% bonds due 1949.

Canadian International Paper bonds are looked upon with some degree of favor. They are not a first-rate investment under the usual rating, but the company is very ably managed and has met promptly all its debt obligations. Last year, which was not a particularly favorable one for the company, resulted in a net loss of $3.2 millions after all charges, including depreciation, depletion, amortization of discount on debt and taxes. It is noted, however, that the net earnings were sufficient to cover the interest charges on the first mortgage bonds by a comfortable margin before providing for the interest on junior securities and the depreciation and depletion reserves. This bond would generally be classified as a business man's investment.

Montreal Tramways

Do you consider the Montreal Tramways Co. 5% bonds, due 1955, a safe investment?

The fact that Montreal Tramway Co.'s 5% bonds due 1955 are selling at such a substantial discount is indicative of the speculative element attached to this security. There are several factors affecting the market value of these bonds. In the first place the volume of traffic handled by the company and earnings therefrom have not been satisfactory in recent years, though income has been sufficient to take care of the company's debt charges but not sufficient to cover dividends on the common stock. The second factor is that for some time past there has been an agitation for a revision of the contract between the company and the city and, at present, the Provincial Government has under way an enquiry which will determine whether or not there will be a revision of this contract. The general opinion inclines to the belief that there will be a revision of the terms on a basis more satisfactory to the city. The third factor has to do with the ability of the company to refund or refinance first mortgage bonds which mature in 1941. Just now the prospects of doing that on favorable terms are regarded as unfavorable, but when the time comes to take action, conditions may have changed for the better. Meanwhile all these uncertainties in regard to Montreal Tramways make it necessary to put the general mortgage bonds in the class of a semi-speculative issue.

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Insurance

Taxpayer Must Support Company Pension Plans

Mounting Deficits of Annuities Branch Emphasize Need of Putting Whole System on Businesslike Basis — Continuous Audit Urged

Canadian employers in increasing numbers are taking advantage of the low rates at which group pensions are sold by the Dominion Government Annuities Branch, to establish retirement annuity plans for their staffs. Within the last year, the Labor Gazette, official organ of the Dominion Department of Labor, has reported the names of 27 companies doing so. These 27 company plans cover 2,725 employees.

The purchase of annuities by employers for their employees living in Canada is provided for in the Dominion Government Annuities Act. The Act also provides that the money required for these annuities may be paid in by the employer to the Government direct, whether it be derived from contributions from the wages of the employees only, or from joint contributions by employers, or from contributions by the employer entirely.

The Government on its part has endeavored to stimulate generally the establishment of pension funds by industry for its employees. An amendment to the Income War Tax Act in 1938 provides that companies may deduct from their taxable income, any lump sum contributions to employees' pension funds. These deductions must be spread over a ten-year period, must be in respect of past services and must be assigned irrevocably to the employees credit. In introducing the amendment, Hon. C. A. Dunning, Minister of Finance, said: "The Government hopes that this concession will encourage the present tendency in industry to create pension funds for its employees."

At the same time it is known that the Annuities Branch is actively soliciting group pensions business.

Criticism of System

Thus far, there has been little or no criticism of the effort of the Government to encourage industry to create pension funds for its employees. And those employers who have done so have been commended.

But there has been persistent objection to the unsound basis on which the Dominion Government annuities are operated. Protest has been made that the more annuities sold, whether to individuals or in group plans, the greater the burden placed on the taxpayers, now and in the future.

Original Plan

When the Government annuities were first sold, beginning Sept. 1, 1908, the professed object was to enable individuals to provide for old age instead of becoming a charge on the state. Rates were calculated on the assumption that the Government, in other words the general taxpayers, would bear the cost of administration. Otherwise the scheme was supposed to be self-supporting. Annuities were to be sold at cost but apart from administration charges there would be no expense to the general public entailed.

At that time there was no active sales campaign and consequently no considerable increase in selling costs seems to have been contemplated. The original annuity limit was $600. This was increased to $1,000 in 1913, to $5,000 in 1921 and reduced to the present figure of $1,200 in 1931.

As the amount of annuities outstanding grew, it became evident that the Government was losing heavily on the plan. For one thing, medical progress and improved methods of living have lengthened considerably the average span of life. Accordingly, people are living to draw their annuities beyond the length of time assumed in calculating premium rates.

Then, as interest rates fell, it was evident that further loss was being sustained. The rate on government loans fell from 4% or over to little more than 3%. But owing to the system on which the annuities branch operates, the amount of the loss was not definitely ascertainable.

Special Appropriations

From the inception of the Act to March 31, 1937, $2.3 millions was appropriated for mortality losses. In 1938, $5 millions was appropriated for the same purpose. In the 1938-39 accounts filed with the submission of the 1939-40 budget, appeared the item, "Government annuities — payments to maintain reserve, 1937-38, $8.9 millions." From this it would appear that the first estimate of $5 millions was almost 50% short.

About eight years ago, The Financial Post drew attention to the unsound position of the whole annuity system, and since then similar representations have been made by public and private bodies. In 1936 a committee of the Senate investigated the annuities branch. This committee found that the premiums were calculated on out-of-date mortality tables and a rate of interest far above those prevailing in recent years. It recommended:

1. Use of up-to-date mortality tables, and that these tables be revised from time to time.

2. That the rate of interest upon which annuities are based should not exceed 3½%, and that this include administrative costs, salaries and commissions, if any.

3. That the rate of interest be subject to change from time to time, in accordance with the cost of money.

4. That a continuous audit be maintained for the information of the minister in charge (Minister of Labor) and the Minister of Finance.

In February, 1938, new tables of premiums were promulgated, based on an up-to-date mortality table, but the other suggestions made by the Senate were not implemented.

Chamber of Commerce Brief

In Jan., 1939, the Canadian Chamber of Commerce submitted a brief to the Government in which it recommended:

1. That premiums be recalculated by using, instead of the 4% interest rate used at present, a rate subject to change from time to time, but which shall not exceed the cost of money to the Dominion Government.

2. That premium rates be adjusted to cover full cost of administration, including commissions and allowance to agents.

3. That a continuous audit be maintained so that the actual cost of issuing government annuities can be known at all times.

4. That the privilege be discontinued under which a person may acquire, through a deposit such as $1 a year, an option on an annuity at present rates for the present maximum annuity; and apparently continue to hold such an option even against an increase in the premium rates or a lowering of the maximum annuity purchasable.

Annual Deficit

The chamber estimated an annual deficit of over $3 millions on annuity account. More exhaustive studies indicate that there is not only a possibility but a probability of this deficit going over $5.2 millions. In the next 60 years the aggregate deficit may range all the way from $280 millions to $800 millions, according to whether new annual sales remain at the 1937 level or increase in the same arithmetic progression as in the years 1927 to 1937.

It may here be noted that while in the first 25 years of operation, the gross potential liability rose gradually to only $29 millions, in the next four succeeding years ended March 31, 1937, a period of low interest rates, the fund's gross liability increased $59 millions.

Beyond Original Objective

The professed object of the scheme when started was, as stated, to enable those who might otherwise become indigent to provide for their old age. It was intended to forestall a demand for old age pensions. But since then, old age pensions have been established in every province so that the need for pensions being sold below cost has been minimized.

Then again the maximum limit of $1,200 is considered higher than justified if the prevention of indigence is the sole object to be attained. The old age pension income now provided for indigent persons more than 70 years of age, by provincial legislation with a subsidy by the Dominion Government, is $365 a year. Further it appears government annuities, which are free of income tax, are being bought by well-to-do people who see in them a means of escaping income tax.

It has been suggested that if the annuities branch were brought under the Dominion Department of Insurance and subject to its audit and regulation, much of the trouble would be avoided. At any rate, the taxpayer would then know how much he had to put up each year to support the plan.

New Licenses

The Dominion Department of Insurance has issued certificates of registry to the following companies, authorizing them to transact the lines of insurance noted, in addition to those for which they are already licensed:

Michigan Fire and Marine Ins. Co.—Insurance against loss of, or damage to, an automobile.

Commerce Mutual Fire Insurance Co.—Accident insurance, burglary, guarantee, personal property, property and weather.

Ohio Farmers Insurance Co. — Inland transportation insurance.

DIRECTOR

George McLean, president of the G. McLean Co., wholesale grocers, has been elected a director of The Great West Life Assurance Co., succeeding the late James A. Richardson. Mr. McLean is also a director of The Northern Trusts Co.

Insurance Notes

To make people more fire conscious Dominion Fire Prevention Association has produced a dramatic short film "Fire Wise," designed to educate the public to reduce fire losses. The film is aimed chiefly at fire hazards in residences and also exemplifies the advantages of fighting fire in general by prevention measures. The film, it is understood, will be shown in schools and may be secured for private showings throughout Canada.

* * *

It is reported from Montreal that premium income on hail insurance on western Canada grain crops in 1939 is in excess of the premiums collected in 1938. It is also stated that hail losses so far this year have been moderate.

* * *

J. H. F. Kay, of the Montreal branch of the Sun Insurance office, has been awarded a diploma of the Chartered Insurance Institute. Mr. Kay is a former prize winner of the fire course of the Insurance Institute of Montreal. He graduated with honors. Following his examination in Montreal he took the examination of the Chartered Insurance Institute of Great Britain. Mr. Kay is a son of E. J. Kay, manager for Canada of the North British and Mercantile Insurance Co.

* * *

Two new staff appointments are announced in the Shaw and Begg organization. H. L. Kearns, casualty manager, has been appointed assistant secretary of the Federal Fire Insurance Co. of Canada, in addition to his other duties.

George A. Gordon, superintendent of agencies for Shaw and Begg, has been appointed assistant secretary of the Wellington Fire Insurance Co. in addition to his other duties.

* * *

W. J. Martin, formerly with Smith, Mackenzie, Hall & Hunter, of Toronto, has opened an adjusting office at 10 Adelaide St., East, Toronto.

* * *

In his annual report covering the business of 1938, H. G. Garrett, Superintendent of Insurance for British Columbia, states that property-damage insurance achieved first place for gain in premium volume during the year, the figures jumping from $79,000 in 1937 to $202,000 in 1938. He attributes this rise to the spread of "supplemental coverage," sold with fire insurance and the type of policy known as "personal property floater." "The development here," Mr. Garrett says, "should stimulate the insurance companies to modernize their wares."

* * *

S. C. McEvenue, general manager of the Canada Life Assurance Company, has been appointed vice-chairman of the Life Agency Officers Section of the Canadian Life Insurance Officers Association.

Insurance Problems

Lloyd's

Please give me some information on the following points:

1. Are Lloyd's of London registered with the Federal Government, the same as other fire insurance companies operating in Canada?

2. In case of fire where the client is not satisfied with the adjustment, would he have to fight the case in London, or could it be done in Canada, as is the case with Canadian and other companies operating here?

3. I understand this company is underselling other fire insurance companies, but I am told it has been losing heavily in the Canadian field. Do you know if this is correct?

Any other general information you can give me regarding Lloyd's will be appreciated.

Lloyd's of London operate in Canada under the name of Non-Marine Underwriters at Lloyd's. They are licensed by the provincial governments in Quebec, Ontario, Alberta, New Brunswick, and Saskatchewan, but not by the Dominion. They have deposits with the provincial governments for the protection of policyholders as follows: Quebec and Ontario, $50,000 each. Alberta, New Brunswick and Saskatchewan, $25,000 each.

A policyholder not satisfied with an adjustment on a fire could have the writ made out in the name of R. C. Stevenson, of Montreal, attorney for the Non-Marine Underwriters at Lloyd's, acting as attorney for the individual underwriters whose names appear on the policy or if he preferred he could name one of the underwriters on the policy, including in general terms "other underwriters whose names also appear on the policy." Mr. Stevenson states that in either of these cases the writ would be accepted and the underwriters would abide by the decision of the court.

As regards losses, the association did have an underwriting loss of $327,655 in 1938. Net premiums written were $5.1 millions and losses incurred, $3.8 millions. It may be pointed out, however, that an underwriting loss by a company may be followed the next year by a gain. It is the experience over a term of years that counts.

Insurance Moguls Meet in Montreal

Annual Convention Will Discuss Statutory Conditions

At the 22nd annual conference of the Association of Provincial Superintendents of Insurance, which takes place in Montreal, Aug. 21 to 24, it is expected that there will be considerable discussion of the Canadian Uniform Fire Insurance Act. Interest in proposed changes will be stimulated by the adoption of the Standard Fire Policy by the National Convention of Insurance Commissioners of the United States. Changes in the statutory conditions of Canadian fire policies, with a view to broadening them have from time to time been discussed in Canadian insurance circles, and may now be implemented.

The possibility of extending the statutory conditions of fire policies to include various coverages now contained in supplemental contracts will also be discussed.

The report on steps taken to bring about greater uniformity in definitions of insurance terms and in the conditions under which companies are licensed by the Dominion and the provinces will be considered.

In life insurance, one of the main items to be discussed will be the desirability of enacting special legislation dealing with suicide. It will be recalled that at the last conference, the majority of the Canadian companies took the ground that a life policy would not become void on account of the suicide of the insured, if the contestable period had passed. It was also intimated that the provinces would prepare legislation to give effect to this principle.

Indications are for a large attendance of insurance company executives as well as the superintendents. Invitations have been issued also to all organizations or individuals in Canada interested in insurance to attend.

Bank of Canada Weekly Statement

Reserve of sterling and United States currencies held by the Bank of Canada increased $3.3 millions in the week ended Aug. 9, according to the weekly statement of the bank, probably reflecting sale of gold abroad. This was balanced on the liability side by increases in the deposits of the Dominion Government and the chartered banks with the central bank. Note circulation was up slightly reflecting a better demand for cash.

Balance Sheet

	Aug. 9 1939 $	Aug. 2 1939 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	172,352,164	171,715,158
Rest fund	1,903,515	1,903,515
Depos.: Dominion	31,503,388	29,837,493
Banks	205,194,956	203,519,795
Other	7,128,289	5,754,895
Total deposits	243,826,633	239,112,183
All other liabs.	3,131,666	3,494,679
Total liabs.	426,213,978	421,225,535
Assets		
Reserve: Gold	205,159,277	205,159,195
Res. in sterling and U. S.	49,192,464	45,368,661
Other curr.	612	679
Total reserve	254,352,353	250,528,535
Subsidiary coin	419,976	415,907
Investments:		
Dom. govt. short	113,339,178	113,289,353
Other Dom. govt.	52,127,129	51,461,287
Total invest.	165,466,307	164,750,640
Premises	1,659,585	1,659,585
All other assets	4,315,757	3,870,868
	426,213,978	421,225,535
Reserve ratio	61.11%	60.98%

Weekly Bank Clearings

	Aug. 10 1939 $	Change Year Ago %	Aug. 3 1939 $
Halifax	2,239,549	— 7.9	2,430,497
Saint John	1,781,109	— 2.2	1,792,111
Moncton	614,783	— 3.5	780,770
Sherbrooke	658,564	+ 5.6	720,552
Quebec	4,317,115	—10.6	4,875,373
Montreal	101,059,155	+12.4	110,008,381
Ottawa	21,296,106	+ 3.9	15,895,130
Peterborough	550,209	— 7.5	605,960
Toronto	76,170,243	—26.6	111,107,244
Hamilton	3,641,531	—24.8	5,033,869
Kitchener	711,058	—37.4	1,148,453
Brantford	652,862	—20.7	873,069
London	1,807,065	—16.6	2,445,434
Chatham	434,847	—12.7	471,982
Sarnia	422,290	—12.8	395,112
Sudbury	871,561	—26.3	993,422
Kingston	534,646	— 8.2	591,180
Windsor	2,071,748	— 3.1	2,622,714
Fort William	624,589	—12.0	799,019
Winnipeg	27,419,190	— 0.3	41,291,538
Brandon	297,388	— 4.3	380,919
Regina	2,510,937	—14.8	3,287,160
Moose Jaw	487,849	+ 6.3	543,453
Saskatoon	1,190,592	+ 2.0	1,397,573
Edmonton	3,369,693	— 2.5	3,576,228
Lethbridge	459,144	— 1.7	439,423
Medicine Hat	122,580	—34.8	224,544
Prince Albert	293,860	+ 1.0	332,596
N. W'minster	623,476	—11.5	701,194
Vancouver	16,864,460	+ 8.2	19,519,712
Victoria	1,701,936	+ 4.1	1,853,895
Calgary	4,107,403	+ 2.9	4,291,649

Staff Changes

The Royal Bank of Canada announces the following staff changes:

L. E. VINET, manager, St. John St., Quebec, to be manager, St. Hyacinthe, Que.

P. E. DE LAPLANTE to be manager St. John St., Quebec.

W. H. SHARPE to be assistant manager, Vancouver, B.C.

Banking

Canada's Export Trade Handicaps Price Raising

Deficit Spending By Government Can Have Little Effect on Foreign Demand For Canada's Products, States Governor Towers of Bank of Canada

Following is the eleventh article in a series in The Financial Post reviewing the evidence presented before the House of Commons Committee on Banking and Commerce.

By D. G. MacLEAN

Staff Writer, The Financial Post

Canada's dependence on the export markets for about one third of her national income makes the problem of raising commodity prices in this country by government action, much more difficult than in some others, Graham F. Towers, governor of the Bank of Canada told the House of Commons committee on Banking and Commerce. He referred particularly to the United States which derives only about one twentieth of its national income from exports.

His remarks developed out of questions put by W. A. Tucker, M.P., as to the possibility of stimulating demand for goods by some sort of bonusing system. This, Mr. Tucker suggested, would raise the price level and have a beneficial effect all round.

Public and Private Spending

Mr. Towers, in reply, pointed out that the idea underlying this plan of increasing expenditure of money could be considered from two points of view, one, private spending for capital development purposes, the other, public spending of a similar character.

If the purposes for which private capital is spent are productive ones, Mr. Towers said, and if the volume of spending does not strain the resources of the community in men and materials—in other words, if there is no boom, then the results, he stated, are naturally of a very satisfactory character. "The fact that capital expenditure is not going on in Canada in anything like the volume of the 'twenties is one of the reasons why we find unemployment here at the present time," he added. Public spending on capital development, he described as based on borrowing, or deficit spending.

He explained that formerly, owing to the operation of certain dynamic factors such as rapidly growing population, expanding geographical frontiers, the development of new products which promise to fill obvious needs and rising international trade, it was reasonable to assume a strong underlying demand for production and installation of durable goods. It was clear, he stated, that maladjustments between costs and prices could put an effective brake on the process of expansion. But it was believed that prices and costs were sufficiently flexible and the basic forces of growth strong enough to ensure that any check to progress would be only temporary. At that time there seemed no reason why fiscal policies should interfere in any short-lived deflationary process.

New Theory Develops

Since then, however, Mr. Towers stated, the length and severity of the depression had caused a new theory to develop which favored government action to make good the decline in spending that occurs in times of depression. In such circumstances, according to this theory, the Government is justified in borrowing the necessary money and it is held that the elimination of all but frictional or seasonal unemployment should be the basis on which the size of expenditures and deficit is determined.

Those who oppose this theory, he stated, argue that:

> The so-called dynamic factors would regain much of their former influence if the business distrust of governmental policies could be removed.
>
> Continued government spending apart from the possibility of government projects competing directly or indirectly with private business will induce a lethargy on the part of business.
>
> Mounting government debt causes such fears of increased taxation or inflation that it stifles private initiative.

Belief as to whether the dynamic factors noted had been permanently weakened or not, Mr. Towers said, was a matter of faith.

Canada's Position

Advocates of a theory of deficit spending in Canada, he indicated, have developed their theory with tacit reference to countries which to a far greater extent than Canada produce for internal consumption. The whole theory, he stated, was part and parcel of the United States developments. The big difference exists in the degree of dependence on export markets. In the United States the matter of compensating for a reduction in the private demand for durable goods is the main feature of achieving full employment and production. In Canada this is also a factor. In fact because our growth in the later 20's was so rapid, the drop in private demand for durable goods has been all the more severe. But, he added, in Canada there is superimposed on this the problem of what to do about the reduction in the demand for goods and services which we sell abroad.

Deficit spending, he stated, obviously can have little effect on the foreign demand for our products. Then again because of the specialized character of the production for which Canada is suited and equipped, it is unusually difficult, to meet a decline in foreign demand, by creating a domestic demand for new things which this country can produce at reasonable cost. Agriculture, he mentioned, presents a very difficult problem as farmers cannot readily change from one branch to another.

Keep Costs Flexible

In view of the fact that a country depending largely on exports can have little influence over the price level of its important products, care should be taken, therefore, Mr. Towers said, to keep its costs flexible and avoid as far as possible elements of rigidity through borrowings on fixed terms. He also indicated that part of the increased spending power which might be created by government action was likely to increase imports, which unless offset by increased exports or borrowing abroad might ease depreciation of the currency and increase domestic prices.

In reply to questioning by Mr. Tucker, Mr. Towers stated that an increase in the amount of money in the country would not raise prices unless the money was used. He also stated that as far as raising the purchasing power of the western farmer was concerned, if a bonusing scheme were to be used then it would probably have to be repeated year after year which in the end would mean hardship to the rest of the country.

He noted that if the western farmer has 300 million bushels of wheat a year to sell and the export market does not buy it, then the problem of how the buying power of the western farmer is to be increased becomes a matter of government policy. Mr. Towers stated he did not think a domestic demand for these goods could be developed on any scale to cure the situation.

Two Alternatives

"So, we are faced with one of two alternatives," he said, "carrying on . . . in the hope that . . . the international situation will clear up and lead to a return of foreign demand; or if we believe that this is hopeless . . . then we are faced with the problem of putting a number of farmers to the production of things which can be consumed at home; in other words changing the whole economy of the West."

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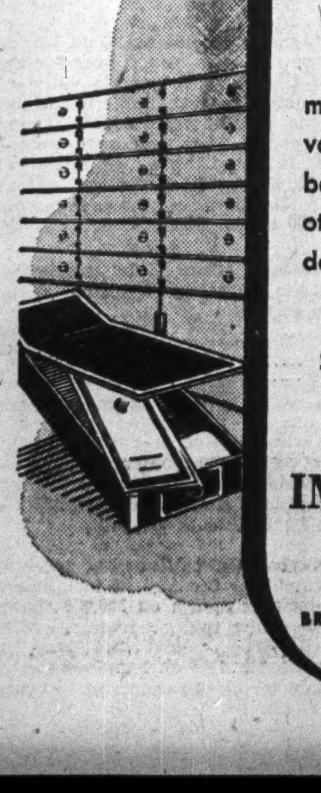

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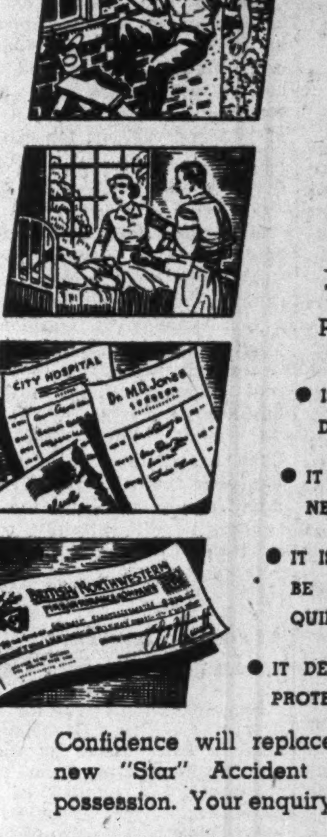

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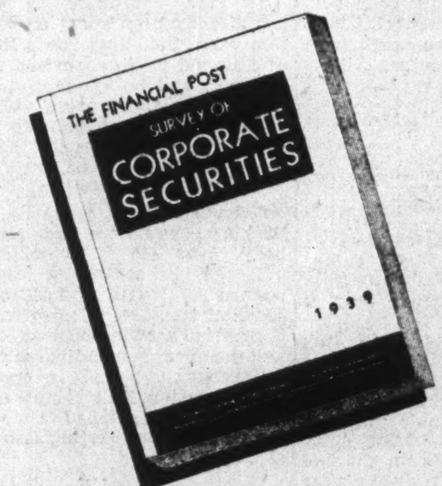

The Week in Mining

Guessing Next Moves Of Market Hard Game

Sheep Creek President Launches Realistic, Far-seeing Prospecting Policy—Europe Showing More Interest in Dominion's Mining Possibilities

Investors and traders will seldom have a more difficult time than the present for making up their minds about a market position. A single news flash from Europe could in a few seconds give the market a big push in either direction, with serious consequences for the stockholder who had guessed wrongly; gorgeous profits for the right ones.

While the conviction that war will be averted this fall is spreading, many people feel that there will be some sharp crisis knocking down the market before that conviction is confirmed. On the other hand, there is the disconcerting possibility of the European air clearing rapidly — at least temporarily — and the market doing a fast climb before folks can get aboard.

One group of young businessmen, very well placed to keep up to the minute in financial affairs, have been short the market for some weeks, but finally decided the problem was too tough for them, sold out, and put their money back in the bank.

No Claptrap

President Rolf Bruhn of Sheep Creek Gold Mines did some plain talking at the recent annual meeting. Prospectors, he said, are getting so little encouragement that it is now up to the operating mining companies to have vigorous prospecting programmes and make sure that new mining areas will be found and opened up.

The Sheep Creek shareholders authorized directors to spend up to $50,000 per property or $100,000 per year on prospecting.

President Bruhn's policy is far-seeing, wide awake and, above all, realistic. A lot of claptrap is being talked on the subject and a minimum being done about it. In British Columbia, Bralorne and Premier are notable examples of gold companies which have recently adopted earnest prospecting programmes.

Slowly the operating companies are seeing that their long-term future and the future of the industry depends on themselves and not on cabinet ministers or the man in the moon; that the days of sitting back and waiting for a hungry prospector to sell—cheap—are rapidly passing.

* * *

We Are Discovered

Very interesting evidence of the increasing interest being shown outside the Dominion in Canadian gold investment comes from Nesbitt, Thomson & Co. In recent months, they have been circulating a small pamphlet presenting some aspects of our gold mining achievement. The firm naturally expected wide distribution for the little book in Canada but it did not expect such a flood of requests from United States, United Kingdom and Europe. At least one copy went to almost every state in the American union, and many went to France, Belgium, Holland and Switzerland.

American and European investors have been very slow in appreciating the money-making possibilities of Canadian mining investing, whether they are looking for security, good yield or good speculations. Canadian governments have been apparently indifferent else their efforts could hardly have been so ineffective. Perhaps Europeans are now discovering for themselves.

* * *

Another Look

Prospecting attention is turning back to the Swayze area which was in the limelight some six months ago. Developments in the Opeepeesway Lake district, to the southwest, are credited with reviving interest. Prospectors Ed. Derraugh and J. R. McGim have renewed their search, the latter understood to have got something interesting for his Sudbury syndicate backers. Allan and Harrol Musselwhite are reported to have something at Cree Lake on one end of an island. Another find on the mainland consisting of 18 claims, on which $20 over 18 inches was found, is reported optioned to a group of six mining and exploration companies. So far most of this Swayze work has produced little or no new staking, however.

* * *

Results

The aggressive policy of the Quebec Bureau of Mines under the ministry of Hon. Onesime Gagnon is bearing fruit. His department reports that the month of June showed a substantial increase both in the number of mining claims recorded and miners' certificates granted; an increase of 20% for the first, of 40% for the second. It is stated that prospectors who had gone elsewhere or had temporarily abandoned prospecting are now "returning in large numbers to Quebec."

The three provincial laboratories, Quebec, Montreal and Thetford Mines, have just made their annual report. The Thetford laboratory was working on asbestos fibre but the two did 18,334 assays or tests for prospectors and miners.

During the fiscal year (to June 30) 400 free lectures in 32 different places were given to more than 1,600 prospectors and would-be prospectors.

* * *

Capreol Hopes

Not much sleep is yet being lost among mining men about the placer mining boom which is supposed to break forth in the spring at Capreol. On the other hand, placer mining at Denver gave William Randolph Hearst's father a couple of hundred millions for his son to lose, and placer can make very nice earnings indeed for a systematic fellow who can afford a pan.

It is understood that some 6,000 acres or more have already been staked by prospective miners, samples running 60 cents to $2.10 a yard. One outfit is said to have ordered machinery and it looks as if a goodly percentage of the Capreol residents will be in the gold business next summer.

C. C. Schreiber, of Kirkland Lake, one of the moving spirits in the development, says: "While it might not be as big as the Yukon strike, it will certainly compare with the gold panning in Denver, Colorado."

Toronto Firm Interested In Nfld. Copper Deposit

Examination of various copper properties at Green Bay, Newfoundland, is being made by the Geophysical Prospecting Co. of Toronto.

There are a number of copper properties in the Green Bay area which have possibilities of development. Years ago a number of properties in this area were worked, but only high-grade ore was taken out.

Recently the Newfoundland Geological Survey have been making an extensive investigation of the commercial possibilities of these properties. Last year, considerable work was done in this area by a geological party and another party is continuing work this summer.

Buff. Ankerite Earnings Off

But First Six Months Achieved Much Necessary Work

Buffalo Ankerite earnings for the six months ended June 30 were 27 cents per share, compared with 68 cents per share in the same period of 1938. This was after allowing for development written off amounting to 30 cents per share in 1939 and 13 cents in 1938.

The ore reserve position has yet to be worked up but a great deal of extremely important work for the future of the mine has been accomplished during the period.

Production for six months amounted to $1,347,306 from 176,419 tons average recovery of $7.637 per ton. The mill handled 974.6 tons per day.

Operating Costs

Operating costs per ton were $4.445, comprising exploration $0.116, development $0.232, mining $2.910, milling $0.775 and general $0.412. These figures do not include costs of sinking No. 5 shaft or No. 6 winze or main crosscuts on the 1,250, 1,400 and 1,550-ft. new levels. The total cost of this development during the period was $209,692.

Production from stopes above the 1,550-ft. level substantiated ore reserve estimates both as to tonnage and grade as reported for the period ended Dec. 31, 1938. The percentage of ore obtained by selective stoping methods has increased and will continue to increase, the mine manager states. The upper levels continue to supply important tonnages of medium grade ore pending the development of the new levels.

Ore Reserves

Ore reserves, as at June 30, 1939, were as follows:

	Tons	Assay Value* $	Gross Value $
Broken ore	61,731	7.54	465,699
Positive ore	567,010	8.64	4,898,966
	628,741	8.53	5,364,665

* Gold at $35 an ounce.
Allowance for dilution calculated.

The drifts, crosscuts and shaft development advance for the six months almost equals the entire development work for the year 1938. The No. 5 shaft reached a depth of 2,188 ft. June 30, and the No. 6 winze was 695 ft. below the 1,050-ft. level.

Crosscutting from the No. 5 shaft was started in April on the 1,250, 1,400 and 1,550-ft. levels and was completed to the known foot wall vein structures during May and June. Drifting on the various vein structures north and south of the crosscut on the three levels has developed ore up to mine average. Vein widths vary from 2.5 ft. to 20 ft. Grade has yet to be checked by back sampling.

Supplementary diamond drilling on these three new levels has obtained some very encouraging ore intersections.

To July 29, 1939, development work on the three new levels in the north mine had not reached the downward extension of the large area as shown on the 1,050-ft. level. A sufficient area has been opened up to supply production tonnage and to increase broken and positive ore reserves about one third more than that of Dec. 31, 1938.

The No. 5 shaft had reached a depth of 2,312 ft. at July 29, 1939, and the No. 6 winze reached 1,892 ft. The objective of these two shafts is 2,390 ft. and 2,040 ft., respectively. At completion of the sinking operation a crosscut will be driven to connect the No. 5 shaft and the No. 6 winze.

Assets

Current assets June 30, amounted to $516,484, comprising cash $156,999, investments at cost plus accrued interest $113,919, (market value, $115,224), gold bullion in transit, $144,842 and stores $100,724. Current liabilities were $260,893.

Capital expenditures for the period totalled $180,510, being principally for equipment required to carry out the development programme below the 1,050-ft. level.

Six Months Ended June 30

	1939 $	1938 $
Net production	*1,346,014	1,500,939
Less expenses:		
Mining	513,427	444,040
Milling	136,701	149,151
General	91,140	94,696
Develop. & explor.	61,424	81,961
Operating profit	543,322	731,091
Add: Other income	5,239	7,892
Gross profit	548,561	738,983
Less: Depreciation	122,530	97,380
Income taxes	26,924	72,759
Development w/o	209,683	89,795
Net profit	189,424	479,049
Less: Dividends	350,839	350,839
Deficit for period	161,415	128,210
Less: Previous surplus	903,097	797,039
Profit from sale of stock	3,296	554
Workmen's comu., cr.	......	11,882
Duty rebate	......	1,442
Surp. carried forward	744,978	939,127

* After deducting $1,292 adjustment of value of ore in solution.

Earns. per Share and Dividend Record:

Earned*	$0.27	$0.68
Paid	0.50	0.50

* After allowing for development written off amounting to $0.30 per share in 1939 and $0.13 per share in 1938.

Brown Oil Group Output Is Lower

Cut in Allowable Blamed For Reduction in July

Earnings of the Brown-Moyer-Brown group of oil wells showed a slight decrease for July from the preceding month, partially due to a reduction in the total field allowable on July 28 from 28,000 barrels to 22,000 barrels daily. This reduction was due to several new wells coming into production and storage facilities under the 28,000-barrel figure being filled. However, it is felt that the demand which will appear when harvesting commences will again bring the total allowable to at least 28,000 barrels daily.

Record for July of the Brown group wells is as follows:

Producing Wells	Gross Revenue $	Net Revenue $
Brown 1	13,769	10,327
Brown 2	13,221	9,916
Brown 4	10,385	7,789
Brown 5	6,296	4,722
	43,673	32,755
B. & B.	5,348	4,879
Four Star	11,434	8,861
Inter-City	nil	nil
Royal Crest	7,503	5,927
T. V. R.	7,193	4,675
Three Point	2,793	2,164
United No. 5	15,554	11,665
Vulcan-Brown	31,699	24,567
Westside	4,959	3,719
	130,160	98,617

Drilling Wells	Present Depth Ft.
Brown No. 6	4,276
Jumping Pound	3,915

The Week in Oils

Conservation Board Head Gives Up Post

W. F. Knode Retires When Contract Expires, Tanner Announces—B. C. Government Confident That Pouce Coupe Will be Oil Field

From Our Own Correspondent

CALGARY.—The man responsible for conservation measures in Turner Valley since the development of the crude field, is no longer a member of the provincial conservation board. Hon. N. E. Tanner, Alberta Minister of Lands and Mines, has announced that the work of the board will be carried on in future by C. W. Dingman and F. G. Cottle.

W. F. Knode, chairman, has retired upon the expiration of his contract with the Government. Knode came to Alberta from Texas to direct government control of the oil field. He devised the present proration system.

Though the Government was criticized by some for bringing in an outsider to do the extremely difficult job of policing Turner Valley production, oil men generally had high regard for the ability and vigor of the husky, cigar-chewing Texan who was born in an oil field, his father before him being an operator in many parts of the world.

No reason has been announced for the retirement, although it is known that Mr. Knode has important interests of his own in Texas, where he had been a prominent oil engineer prior to taking the post of chief of conservation measures for the Texas railway board, which was the regulating authority for oil field exploitation in East Texas.

In view of the fact that his Texas partner in a consulting engineering firm, Dr. B. B. Boatright, has come to Calgary, it is thought probable Mr. Knode may engage in private practice here.

* * *

B. C. Confident

The British Columbia Government is confident that it will find oil in the Pouce Coupe area, Peace River district, and drilling operations will probably start this month.

Hon. W. J. Asselstine, minister of mines, plans to fly into Peace River to confer with Dr. A. H. Cox and Dr. M. Y. Williams, government geologists. Premier T. D. Pattullo, returning from a 6,000-mile flight across Canada and the United States, will go there too.

Mr. Asselstine reports that geologists have indicated to him that the pool appears closer to the surface around Moberly Lake and it is probable that the first test wells will be located there. The government appropriated $60,000 at the last session of the legislature to finance its oil survey this year.

Meanwhile Benedum and Trees, noted American wildcatters who have operated in Tampico, Louisiana, Colombia and many other fields, are drilling in the Peace River area, with a view to transporting oil by pipeline through Monkman Pass to the coast if they strike oil in large quantity.

* * *

"Dignified Guess"

How much oil would Turner Valley produce daily if conservation measures were abolished and the field were "opened wide"?

The answer must be in the nature of what has been termed "a dignified guess." That guess is 62,000 barrels daily. Under pro-ration, the field is permitted to yield 23,000 barrels daily.

The Conservation Board has just issued figures which give some indication of what might be expected if the "clamps" were removed from the field. Tests were made through a one-inch choke.

Largest producer would be Anglo-Canadian's Frontier, found capable of 2,608 barrels a day. Next was Vulcan-Brown, 2,431 barrels and third, Home 2, 2,187 barrels.

Capacity to produce through a one-inch opening is only one of the factors taken into consideration in determining a well's production quota. Other factors are the acreage drained, the amount of gas required to lift a barrel of crude to the surface, and the bottom hole pressure.

The report shows that 20 wells, out of 78 crude producers, are capable of producing in excess of 1,000 barrels of crude daily through a one-inch choke. The great majority of the remainder are capable of producing between 500 and 1,000 barrels daily under the same conditions.

* * *

Looking Closer

Search for oil in the Cardston district of Southern Alberta, which has been carried on off and on for years, is being intensified. Franco Oils, Ltd., which acquired large holdings in the area, several months ago, is preparing to drill. Another well is to be drilled just east of the town of Cardston.

Scattered over Alberta are dozens of structures, all of which have been reported upon favorably by geologists.

* * *

Dividend Record

Anglo-Canadian has announced that dividends will be paid by its associated companies, Foundation, Monarch, Prairie and Firestone this month. Sunset Oils, Ltd., a Turner Valley producing company, will pay four cents a share September 15.

Present indications are that total dividends to be distributed in 1939 from Turner Valley oil production will be the largest for any one year in the oil history of Alberta. Total distribution to date has been nearly $1,250,000.

The spudding in of Mar-Jon 1 at Whiskey Creek has added one more active well to the list of Alberta wildcats. This well is at the extreme end of the north Turner Valley. A strike would, of course, open up a large area for development. While the well is being started with standard cable tool equipment, it will be finished with fast, modern rotary equipment after a few thousand feet of hole have been made.

Drilling has been resumed at the Roxana well on the Kootenay Dome, west of Calgary. High hopes are held for this wildcat as it is drilling in the Devonian limestone, a horizon proven to contain great oil reserves in various fields in the United States.

* * *

The provincial government realizing the importance of good roads is now building an excellent highway from Black Diamond to Little New York, "main street" for the Turner Valley oil field.

* * *

Oil Hunt

New Zealand is now enthusiastically taking up the search for oil. There have been 52 licenses issued, covering 9,236 square miles, for prospecting for petroleum, the Government reports. Approximately 50 geologists and geophysicists are already operating on the various fields. One company alone spent about $1 million before getting one hole down, and has budgeted for a further $1 million to continue prospecting and drilling. Others are busily engaged in doing geophysical and survey work.

"I am convinced that if oil exists in paying quantities in New Zealand, the men and plant employed will find it," said the minister of mines, the Hon. P. C. Webb.

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Empire Securities Co. Offering Oil Pamphlet

"Oil Royalties," a neat little pamphlet explaining oil royalties as an investment, outlining various aspects of the Alberta oil situation, and giving brief statistics of the industry, has just been brought out in a new edition by Empire Securities Co. of Vancouver.

Concentrates — Canada's Mines This Week

Arntfield Gold reports decision to explore the "north" break, corresponding roughly to the area now being drilled by Francoeur where spectacular results were obtained. Whether drilling will be done from surface or from Arntfield workings was not announced.

* * *

Bidgood Kirkland had slightly higher production in July as shown by results below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July, 1939	4,553	147	9.29	42,319
June, 1939	4,464	149	9.03	40,310

* * *

Beresford Lake is now drilling to 200 ft. in the north part of the property which has recently been producing interesting values. This is to be followed by a drive north from the shaft workings. Previous drilling has been shallow.

* * *

Bankfield reports slightly lower production for July.

1939	Tons milled	Total production	Per ton recovery
July	3,883	46,868	12.07
June	3,850	51,538	13.39

* * *

Bulolo Gold Dredging reports July production of 13,053 ounces gold, compared with 11,819 ounces in June and 13,569 ounces in July of 1938.

Estimated working profit for July this year totalled $281,610. June working profit was $262,745 and July $311,500. Production in July was from 1,435,000 cubic yards of gravel as against 1,255,000 cubic yards in the previous month and 1,232,000 cubic yards in July a year ago.

* * *

Beresford Lake Mines—The Ontario Securities Commission reports that by agreement March 24 between the company, Winoga Patricia Gold Mines Limited, H. R. Bain & Co., Ltd., and British American Investment Ltd., Winoga Patricia Gold Mines Ltd., purchased 100,000 shares at 10 cents per share and received an option on 390,000 shares at prices from 15 cents to 30 cents per share payable by May 1, 1940, and under same agreement H. R. Bain & Co., Ltd., purchased 110,000 shares at 10 cents per share.

* * *

Chesterville reports milling 515 tons daily with increased millheads for the week ended Aug. 10. Grade of ore treated averaged $6.24 per ton compared with $4.39 the preceding week. A second shipment of gold has been made, netting $39,980. Two new stopes were completed for mining during the week.

* * *

Cariboo Gold Quartz July production showed a decline in value.

1939	Tons milled	Total recovery	Per ton recovery
July	9,344	147,070	15.74
June	8,970	151,480	16.88

* * *

Century Mining Corp. reports that the first level south drift on the Garbutt vein ran into excellent ore earlier than anticipated. The assay values of channel samples included: $42 gold per ton across 1 foot, $5.60 across 1.5 feet, $26.60 across 2.2 feet and $14.80 across 3.6 feet.

* * *

Dayton Porcupine has just about completed arrangements with United States capital for funds to further develop the property, the company reports. The deal entails a firm underwriting on 350,000 shares to bring in approximately $28,000 to the treasury, with options on 800,000 shares to bring in a further $160,000, if fully exercised. The property comprises 40 acres, the largest patented property in the Porcupine camp, ajoining Galore on the north and a claim and half west of Faymar.

To date, approximately $104,000 has already been spent on exploration work, including about 15,000 ft of diamond drilling, surface trenching, etc., and bulk sampling, all of which gave encouraging values.

Work is to get under way just as soon as arrangements for the funds are officially approved.

* * *

Golconda Mines president, B. S. Parkinson, reports a large porphyry body, over 100 ft. wide, striking northeast to southwest, has been opened for length of 1,000 ft. by a series of trenches. Coarse free gold is reported showing in several places and the average uncut value across a 5-ft. section of breccia is reported at $106.75 per ton. Bulk sample of high-grade ore was shipped last week to the Government Testing Laboratory at Cobalt.

* * *

God's Lake Gold reports July production of 5,820 tons, with the Mint return not yet received but estimated by the company to be about the same as June production of 5,883 tons worth $81,500.

* * *

Golden Gate Gold Mining Co. had the highest production for any month this year in July. Results are as follows:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July, 1939	1,995	64	11.55	23,040
June, 1939	1,960	65	11.10	21,754

* * *

Gurney Gold Mines' recovery showed little change in July from the previous month although a higher tonnage of ore was milled. Figures are as follows:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July, 1939	4,218	136	7.49	31,574
June, 1939	3,985	133	7.92	31,546

* * *

Gomak Mines, at Three Duck Lake, north of Sudbury, expects to commence diamond drilling in the near future. Holes have been spotted to explore the three known veins at depth. Previous work consisted of development of No. 1 vein for a short distance on the 85-foot level and treatment of a small volume of ore in a 35-ton mill.

* * *

Hasaga Gold reports discovery of a new ore shoot about 250 ft. long and 20 to 25 ft. wide stretching to the 500-ft. level. Another ore body has been exposed over 250 ft. carrying somewhat lower values, the office reports running $3.50 to $4 per ton. About 170 tons are being mined daily from four levels down to the 500 and are hauled by truck to the Red Lake Gold Shore mill. Grades have been around $9 per ton. New ore body to the west, away from the Howey line, has indicated values of $11.92 over about 20 ft. and seems so important that important enlargements have been made in development plans. The shaft now down to 800 ft. is to be carried to 1,150 ft. and four new levels opened.

* * *

Island Mountain, subsidiary of Newmont Mining Corp., reports slightly lower production for July.

1939	Tons milled	Total production	Per ton recovery
July	3,817	53,086	13.91
June	3,849	54,082	13.76

* * *

Lebel Oro July production reached a high for this year.

1939	Tons milled	Total production
July	3,162	21,437
June	2,945	13,725

* * *

Little Long Lac reports higher value of production during July when gross was $139,000 from 8,400 tons running $16.55 per ton. This compares with $133,500 for the preceding month and $125,600 for July last year.

* * *

La Reine Gold Mines Ltd. — By agreement July 31 optioned to Investment Underwriters Company 840,999 shares—100,000 shares each at five cents, five and one half cents, six cents, seven cents and eight cents, with balance at prices from 15 to 20 cents per share payable at a minimum of $3,000 per month. Company incorporated Sept., 1936 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 2,159,001.

* * *

Lava Cap Gold Mining Corp. reports that 5,000 shares have been issued to Otto E. Schiffner, vice-president and general manager, under the terms of his employment contract providing for issue of 5,000 shares in Aug., 1938, and 5,000 shares in August, 1939. Issued capital is 2,445,757 shares, leaving 54,243 in the treasury.

* * *

Lardego Gold reports that vein on its Rice Lake property has been exposed for almost 400 ft. showing average width of 5.5 ft. Channel samples from test pits and surface showings have given average of $20.

* * *

Mapin Gold reports 11 claims in the Beardmore area have been surveyed and an additional claim fraction staked. As several of the claims were oversize, the company has been ordered to cut these up, and there will then be 16 claims, comprising 700 acres. Surface exploration is being undertaken. Due to heavy overburden on the south claims it may be necessary to cross-section these by diamond drill.

* * *

Morris Kirkland Gold Mines has received payment for July 15 option installment comprising 35,000 shares at 10 cents under agreement with J. P. Arnott. Next option installment of 100,000 shares at 12 cents was due August 15. Issued capital is 2,082,717 shares.

* * *

Malartic Gold Fields continued development work on three levels in July with excellent results, states J. P. Norrie, general manager. Of 901 feet of drifting and crosscutting completed, 60% was in high-grade ore. In excess of 1,000 feet of ore has now been developed in the mine with most of the development faces still open. Of this footage, approximately half is in cross veins averaging $15.75 a ton over 5 feet with the balance in the west ore body averaging $10.50 a ton with widths up to 30 feet. This ore body is still open on all levels. Surface drilling indicates the west ore body extends 375 feet to the west and to the east the ore body has not been developed in any way. Clearing of a site for the mill is under way and it is planned to have the mill in operation before the year end.

* * *

Maryland Red Lake Gold Mines Ltd. — By agreement July 25, optioned to Sedley F. Thompson 1,855,000 shares—300,000 shares at 5 cents payable by Nov. 1, 200,000 shares at 6 and 7½ cents payable by July 1, 1940, with balance at prices from 10 to 15 cents per share payable by Dec. 31, 1941. Company incorporated Jan., 1937 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,083,025.

* * *

Magnet Consolidated Gold Mines, whose mill was turned over for the first time July 2, reports value of production from that date to the end of the month was $49,333. During that period 2,649 tons were treated and millheads are estimated at $24.55, so that it is figured that at July 31 there was approximately $15,000 in the mill circuit.

* * *

Macassa Mines July production was the highest in the history of the company.

1939	Tons milled	Total output	Per ton recovery
July	12,546	197,016	15.70
June	12,300	195,775	15.91
July '38	8,110	131,888	16.26

* * *

Nortrac Mining has called a special meeting of shareholders for Aug. 15 to consider present status of company and discuss means whereby property can be further developed.

* * *

Naybob Gold Mines has received payment for the Aug. 20 installment comprising option on 150,000 shares at 15 cents under agreement with E. R. Angus. Next installment is exercisable by Oct. 1 and comprises option on 150,000 shares at 15 cents. Issued capital is 3,770,309 shares, leaving 1,229,691 in the treasury.

* * *

Orpit Mines reports diamond drill hole No. 21, the first deep hole to be put down has reached 315 feet. The management expects the main zone will be cut between 600 and 700 ft. this week. Between 72 and 79 feet the hole passed through a seven-foot quartz vein showing some mineralization. No assays have been taken yet.

* * *

Obalski reports that diamond drilling has been exploring ground immediately northwest of D and C veins. Six shallow holes, numbered 29 to 34, were put down. Results did not indicate anything of definite commercial interest, but interesting mineralization and structure was encountered. Two deep holes were put down to intersect D vein. Both intersected the vein with following results: Hole 35 at 400 ft. depth intersected 58 in. of vein material, of which 40 in. assayed $22.05. Hole No. 36, at 600 ft., intersected 33 in., assaying $45.85. So far, no additional work has been done on vein A, where previous work has indicated a body approximately 400 ft. in length containing a substantial tonnage in gold and copper ore.

* * *

Presdor Porcupine Gold Mines has let a new contract for a minimum of 2,000 feet of diamond drilling. All debts of the company are stated to have been liquidated with sufficient money in the treasury for the present programme.

* * *

Pontiac Rouyn's special meeting of shareholders, which was adjourned Aug. 8, has been recalled for Aug. 22 at 12 noon in King Edward Hotel, Toronto, when approval will be asked for sale of assets to Pontiac Rouyn Mines (1939) for 2,365,156 shares, escrowed for a year, or such shorter period at direction of Ontario Securities Commission, instead of for two years, as previously proposed.

* * *

Privateer Mine reported slightly higher production in July as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
July, 1939	2,333	75	45.82	106,895
June, 1939	2,339	78	43.23	101,117

* * *

Rose Gold Mining shareholders, at special meeting in Toronto, approved recapitalization plan, calling for distribution of ten new shares, $1.25 in cash and 6.5 shares of Chesterville Larder Lake Gold Mining, for every 100 shares held. At the annual meeting, W. Foisy was elected to the directorate to replace E. Clouthier.

* * *

St. Anthony Gold Mines produced $38,330 from 2,777 tons of ore milled in July. Continuous ore has now been opened up on the 500-foot level for 420 feet and the last 80 feet where stoping has been done shows widths up to 18 feet, with visible gold in places, averaging $12 to $15 per ton. Ore is still continuing in the north faces of the three bottom levels and development is continuing as time and power permits, it is stated. A survey of the company's hydro-electric power development has been made and more power is expected to be available when certain excavation work has been carried out. Exploration is being done on the "west break," 350 feet west of the present mine workings.

* * *

Sheep Creek Gold Mines' shareholders were informed at the annual meeting that ore reserves and the cash position were best in the company's history. No. 68 vein, encountered in the drive to explore the optioned Ore Hill ground is stated to carry values of just over $8.75 per ton. No work is being done on this vein at present, effort being concentrated on putting the drive into Ore Hill ground. Approval was granted at the meeting for exploration of new properties, not more than $50,000 to be spent on any one property during the year and not more than $100,000 on all properties.

* * *

Split Lake Gold Mines, at its Bigstone Bay property in Kenora district, has arranged shipment of ore to the mill at Norman, seven miles away. Initial shipments are to be 25 to 30 tons daily, with a probable increase to 50 tons per day. At present millfeed is being drawn from an open pit on the No. 2 vein, but officials state there are two parallel veins which offer good possibilities, having given rich assays from surface sampling.

* * *

Senator-Rouyn—J. Bradley Streit, Haras Corporation, which is financing Senator-Rouyn Ltd., states that a further $32,000 has been paid to Senator-Rouyn, thereby anticipating all option payments up to Nov. 1, 1939, as well as a part of those for November. Senator-Rouyn, he states, now holds approximately $65,000 in its treasury with all bills paid, including cost of the new 3-compartment shaft which has just been completed to 540 feet. Development of the main ore body will shortly be under way on the 375- and 500-ft. levels.

* * *

Sturgeon River Gold reports sharply higher production in July than in the preceding month.

1939	Tons milled	Total production	Per ton recovery
July	2,233	40,215	18.01
June	2,199	30,765	13.99

* * *

Siscoe Gold production in July showed considerable gain over the preceding month.

1939	Tons milled	Total production	Per ton recovery
July	18,472	164,484	9.07
June	17,932	157,211	9.00

* * *

Sand River Gold reports a slight decline in July production.

1939	Tons milled	Total production	Per ton recovery
July	3,114	33,124	10.64
June	3,152	33,915	10.76

* * *

Spud Valley Gold, Zeballos, reports July production of $42,300 from 1,610 tons for average recovery of $26.27. This compares with $54,225 from 1,786 tons, average of $30.36 in June. Decline is credited to the larger volume of development ore handled in July and shut down for relining of the ball mill. Average grade since the mill started in December has been $24.75 per ton; total production, $317,865.

* * *

Thompson Lundmark Gold Mines has opened up a length of 200 feet averaging 2.98 feet in width running 2.621 oz. gold to the ton before cutting high assays. Some 100 feet was tested by shallow drill holes at 35-foot intervals returning 2.25 feet averaging 1.51 oz. gold, 2.4 feet averaging 1.29 oz. and 0.29 feet averaging 0.08 oz. gold. A deeper hole cut the vein at 110 feet slope depth with 2.1 feet averaging 4.93 oz. exclusive of three inches not assayed but estimated to run 50 oz. gold or more. The vein is weaker and lower grade north and south of this sampling. Another new vein opened up for 100 feet assays 1.32 oz. across 0.7 feet for a length of 50 feet so far assayed.

* * *

Toburn Gold had a considerable drop in production in June, as shown below:

	Tons milled	Tons daily	Recov. per ton $	Total recov. $
June, 1939	4,480	149	19.83	88,830
May, 1939	4,825	156	23.53	113,505

* * *

Wildor Gold Mines Ltd. — By agreement May 19 optioned to James A. Grant 1,175,000 shares—250,000 shares at 7 cents, 150,000 shares at 10, with balance at prices from 12 to 50 cents payable $10,000 by August 1, and thereafter $2,500, monthly until August 1, 1940, with balance payable by Oct. 1, 1941. Company incorporated Dec., 1934 (Ont.), authorized capital 3,000,000 shares, $1 par; issued 1,292,800.

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Will Base Metals Show Bigger Gains?

Big Possibilities of Profits Indicated in Peace or War

By RONALD A. McEACHERN
Mining Editor, The Financial Post

Selling golds, buying base metals has been a recent market policy of some prominent Canadian investors who have revealed their activities to this writer.

For most of the big base metals, the first half of this year has been considerably better than the similar period last year. Prices for base metals have been strengthening and show many signs of holding their gains or advancing farther.

What are the arguments advanced by the investors mentioned for preferring base metals to gold?

An early increase in the price of gold seems most unlikely; at least, that development seems a bet far less attractive than other bets currently available. A great many people believed, of course, that ultimately the gold price will go higher, perhaps much higher and probably sooner than commentators now expect. But today's investor argues that he will have time to get back to the golds before any hoist takes place.

The position of gold stocks in war is subject for argument. The conventional and generally accepted view is that war would raise gold mining costs. Some mines would be able to process higher grade ores, thereby maintaining their profits if perhaps curtailing their productive lives. Other gold mines would be likely to find profits shrinking and in some cases perhaps disappear altogether.

Big Push Doubtful

In brief, then, the feeling about the gold stocks of the investment group is that, for the present, there seems to be nothing in peace that is likely to give them a powerful upward push and that, in war, there are factors which might move them lower, at least for a time.

Proponents of the present attractions of the base metals, on the other hand, see advantages for this group, peace or war.

The conviction is gaining ground daily in apparently well-informed circles that war will be averted for the present. But assume those circles are wrong. War and the machinery of war obviously creates a tremendous base metal demand at substantially higher prices. Profits would leap upward; so would base metal stock prices. Government regulation would probably halt profits at "reasonable" limits, but it is most *unlikely that* the investment attractiveness *of these issues* would be entirely *eliminated*. The fundamental strategic advantage of this stock group in such circumstances would remain.

Little Hope Here

Assuming prognostications of present peace are correct, the base metal outlook would again seem to hold superior attractions.

Business has been showing various signs of improvement. The long-awaited and often-predicted construction boom in the United States has failed singularly to make headway, confirming to the satisfaction of many their contention that high taxation, short-sighted labor policy and technological backwardness, especially of the domestic branch of the industry, must be drastically changed before important advance can be made.

But despite the slowness of the general advance and the failure of improvement to materialize in certain fields, observers see, apart from war itself, many reasons for quiet optimism.

The most important thing in the outlook for base metals is the type of recovery which will take place when recovery comes. For a decade now business as a whole has been going on a hand-to-mouth, day-to-day basis. The economic machine has been kept going but parts have been wearing out and have not been replaced. The fundamental characteristic of recovery will be capital expenditures, new plants, new machines; for new and greater utility systems, with emphasis on things like rural electrification. In brief, recovery is almost certain to make almost unique demand on base metal products.

Inflation Possibilities

General price inflation is another factor which some observers believe to be in store for us in the not-too-distant future. Some of Great Britain's most respected business spokesmen have already announced the inception of an inflationary movement in British economic policy. Inflationary policies of the Roosevelt administration in the United States have so far done little to raise price levels, but the conditions of inflation are there ready to ignite when firing circumstances are favorable.

One interesting speculation is this: The Democratic party will do everything in its power to create prosperity or the semblance of prosperity in United States prior to the presidential elections next year. Roosevelt had a bad beating in the House this session but, as Whaley Eaton declares, "It is too early to be holding funeral rites over the New Deal. The President is a politician of many resources, he will not remain long on the defensive and it can be taken for granted that he has some drastic moves in contemplation, Congress being off his hands."

Base metals are now very favorably situated for entering a period of better business or better prices. Armament business has been taking up the slack caused by slowness in industry generally. Armament business is undesirable business when it breaks down usual trade outlets, when it involves large plant expansion or increase in production, when it offers bloated prices.

The world preparedness campaign of recent years has done none of these things to the base metal industry. It has kept it healthy and prosperous without inducing it to stretch itself beyond reasonable peace-time measure; without permitting it to become hog fat and vulnerable under uneconomic conditions.

Stock Satisfactory

World stocks of the base metals have been keeping down to very satisfactory levels. Recent purchases by Japan and various European nations have been unusually large. France and Britain have the long-prophesied September crisis to consider; Japan has the denunciation of the U.S. Washington Treaty which may close off that source of her vital base metal supply.

Cancellation of the treaty may have quite interesting results for Canadian business. Japan and United States have been extremely important customers to each other. American base metal and heavy industry supplies have been of the utmost importance in Japan's various military enterprises. Fear that this channel of trade is going to be blocked at year end has already started Japan buying more from Canadian metal producers.

Higher metal prices have been a natural consequence of all these developments and possibilities. Zinc moved up 25 points to 4.75, the first price change since November, 1938. Lead demand has been very good with dealers taking September bookings considerably sooner than usual.

Copper gained about 50 points to a recent high of 10.71, and the Cartel has increased the production quota for its members with another increase probable. Early increases in the copper price in the current rise came rather unexpectedly, but demand soon seemed to justify the move. With an eye on the current bullish factors for this metal and their memory on the runaway copper price of 1937, the Cartel has announced that it can and will control the situation to prevent too wide price movements. July figures for the industry were their best this year and stocks abroad are reduced to a mere six-weeks' supply.

Following are comparative figures on base metal prices:

	Copper Spot London	Lead New York	Zinc Spot London
	(cents per pound)		
Current	.106	.051	.048
Jan.-June, 1939 .. (average)	.099	.047	.045
Yearly average:			
1938	.097	.047	.031
1937	.131	.060	.049
1936	.095	.047	.033
1932	*.064	*.032	*.024
1929	†.183	†.068	†.054

*Ten year low. †Ten year high.

Further Gain Likely

It will be seen from those figures that although base metal prices have already experienced considerable improvement, they would still seem to have potentialities for further upward movement, especially in view of the almost unique demand possibilities facing the industry.

Especially significant are the average prices for the first six months of 1938. The gain in each case over the 1938 average is negligible but at the same time the half-year statements of most base metal producers in Canada have showed substantial improvement.

Following are the stock price averages which are helpful in indicating relative current position of base metal stock prices. The averages are those of the Toronto Stock Exchange.

	Base Metals	Golds	Industrials
Current	89.10	121.38	112.20
Month ago	87.22	120.86	111.09
Year ago	95.63	126.04	124.14
1939 high	101.27	128.95	125.92
1939 low	80.75	109.85	102.52
1938 high	105.56	127.19	131.11
1938 low	64.47	101.86	97.66
1937 high	136.94	168.58	187.67
1937 low	63.95	96.27	110.63

International Nickel

Glance briefly at the position of some of the big Canadian base metal producers.

International Nickel is in a unique position in that it virtually controls the market and the price for its chief product, nickel. Demand has been improving and, like the other base metals, it would enjoy all the advantages of a base metal commodity in a period of recovery or inflation, with special advantages in certain technical fields like television.

The company is now engaged in an expansion programme at the mine and it is expected that its large mining operation in Finland should get into production during 1940.

A one-cent raise in the price of copper means almost $3 millions more for the Inco treasury, all of it profit.

Following are comparative figures on the company's stock position.

	Operating earnings $	Per share earnings $
Jan.-June 1939	27,427,882	1.15
Jan.-June 1938	25,471,753	1.08
July-Dec. 1938	24,828,546	1.00

1939 Monthly Price Range—High and Low

	High	Low		High	Low
Jan.	56⅛	46¾	May	50⅛	45½
Feb. ...	52⅛	50½	June	50⅛	45½
Mar. ...	54¾	46	July	50¾	46
Apr. ...	49¼	42¾	To Aug. 11	50½	48¼

Common stocks now yielding about 4.1%.

Noranda Mines

Noranda's interests are now almost as closely linked with gold as with base metals. Its home property, the Horne Mine, gives it the unique advantage of being able to regulate its gold and copper production so as to take best advantage of high copper prices or to slow down on copper output when prices are less favorable.

"How long can Noranda keep it up?" That's the big question now going around about Noranda's outside interests. The company's success in bringing in big-time winners in the gold field has been one of the most spectacular feats in the history of Canadian mining. Five or six winners all in a row and not a single miss! Some people are beginning to think the odds are against Noranda's winning streak going much further.

On the other hand, Noranda has a magnificent string of properties and has developed a superb organization. The newest bet, the young gold prospect in the Porcupine, Aunor, is having a 300-ton mill prepared for it now. Preliminary work was most encouraging. At its home property, Noranda gets most satisfactory indications of extensions of its main ore body. The sun still smiles very brightly for the company.

Sees Unusual Stability

Among expert investors there is the widest difference of opinion about the attractions of Noranda at current price levels. At least one prominent investor has been selling Noranda and buying Hudson Bay. Another equally prominent investor told me he disagreed with the first completely and was still buying Noranda stock.

Apart from its outside gold enterprises, Noranda will profit largely from improved copper prices; about $1 million from a one-cent rise. Gold production promises it unusual earnings stability since no one is afraid of price cuts for gold. During a period of price inflation—which would hoist gold mining costs—Noranda could expect higher copper prices to offset this handicap. So on the basis of present information and most likely probabilities, Noranda can face the future confident that profits will continue though perhaps slightly less well situated to enjoy the climbing profits—temporary though they always are—of a price inflation.

Some figures sketch the Noranda situation.

	Total recovery $	Per share earnngs $
Jan.-June 1939	10,795,108	2.38
Jan.-June 1938	10,425,543	2.12
July-Dec. 1938	11,336,155	2.16

1939 Monthly Price Range—High and Low

	High	Low		High	Low
Jan.	81½	70½	May	80	75½
Feb. ...	80⅞	78½	June	80¼	75½
Mar. ...	82	72	July	84	77
Apr. ...	77	70	To Aug. 11	83	81¼

Stock is now yielding around 4.8%.

Consolidated M. & S.

Consolidated Mining and Smelting is the oldest of the big base metal producers and has a long and very rich record behind it, plus its fabulous Sullivan Mine in British Columbia. The company is controlled by Canadian Pacific Railway.

Though remarkably successful in operating and metallurgical economies, the company has long suffered phenomenally indifferent success in its search for new base metal or gold properties in other parts of Canada. Company policy has been changed, however, since the appointment of Dr. S. G. Blaylock as president in charge of all operations, and observers feel that, given time, the new head will be able to reduce sharply exploration costs. Probably in sifting Smelters' yard-long list of properties, some grain will be found among the chaff.

Smelters' stock has some very well-informed and very faithful holders in spite of a not-too-attractive earnings picture: $1.90 per share in 1938, when $2.50 was paid; earnings of $4.50 in 1937, $3.50 paid.

Silver Future Dull

One potentially troublesome aspect of the Smelter's outlook is the future of silver. As outlined at length recently in The Financial Post, silver has long been a political football in the United States, its high and thoroughly artificial price being the price administrations have been willing to pay for support of western Senators. How long this comfortable arrangement for U.S. silver interests, expensive for the U.S. public, will go on no one is willing to predict, but the world's leading silver merchants are not too confident.

Letting U.S. silver drop to its natural price level would probably have long-run advantages for a firm like Smelters. Much production in the United States might cease because uneconomic at lower prices.

For the first time since 1933, no bonus accompanied the July, 1939, dividend. Whether the company will decide to continue its present economy policy or pay some bonus at the year end is now subject of wide argument.

Increases in metal prices have extremely important effects on Smelters' earnings. A one-cent increase in copper means only about $50,000 more for the company, but similar increase in lead means over $4 millions, and in zinc almost $3 millions.

Smelters does not release half-yearly figures on its financial condition, revealing only the amount of its production of the various metals, which provides only a vague picture of company earnings since prices within the period at which metals were sold—or were not sold—are not divulged. The following production figures, however, give some indication of what has been going on.

	1st 6 mos. 1939	1st 6 mos. 1938	2nd 6 mos. 1938
Lead, tons	91,352	102,750	98,824
Zinc	66,478	79,562	69,509
Copper ..	156	434	416
Gold, oz. .	19,590	28,967	27,984
Silver, oz.	4,744,323	4,991,820	4,823,614

1939 Monthly Price Range—High and Low

	High	Low		High	Low
Jan.	61¼	47¼	May	47½	37¾
Feb. ...	56¾	53¾	June	44¼	37½
Mar. ...	59¾	48¾	July	48	38
Apr. ...	53	45	To Aug. 11	45½	44¼

Yield is around 4.4%.

Hudson Bay

Hudson Bay is the youngest of the big base metal enterprises in Canada and has yet to build up such long and impressive records as some of these other mines, but it has magnificent property and management and strong international stock sponsorship.

Its ores produce almost the whole gamut of metals: gold, silver, copper, zinc, selenium, tellurium and cadmium. As a thoroughly integrated enterprise generating its own power, and geographically remote, it enjoys certain safeguards. Hudson Bay is now expanding and by dint of improved plant efficiency and the addition of another converter hopes to increase production by 500 tons to 5,200 tons daily by the end of the year. This means that production of all metals, with the possible exception of zinc, will be increased about 10%. Profits would naturally increase. Grade of the ore is known to improve at depth but it may be about two years before they get down into it for mill-feed purposes.

Hudson Bay has been an increasingly popular stock purchase among some very well-informed investors. It is understood that quite a number of holders have it at prices very considerably higher than the present. Hudson Bay has youth, proved worth, and many see for it an immensely rich future.

Following figures show something of its position:

	Net earnings $	Per share earnings $
Jan.-June 1939	2,243,591	.81
Jan.-June 1938	2,036,323	.74
July-Dec. 1938	2,397,108	.87

1939 Monthly Price Range—High and Low

	High	Low		High	Low
Jan.	35½	30¾	May	32½	29
Feb. ...	35	32½	June	33¼	30½
Mar. ...	34½	30	July	33¾	30½
Apr. ...	31⅜	25½	To Aug. 11	35⅛	33¾

Stock now yields around 4.3%.

C.M.&S. Tests Rossland Area

Famous Camp May Be Re-opened After Current Survey

From Our Own Correspondent

VANCOUVER.—Consolidated Mining & Smelting Co. is now engaged in a survey of the old Rossland mine workings which have already produced more than $80 millions. The result, if favorable, will be the reopening for operation of one of western Canada's most famous mining camps.

S. G. Blaylock, president of Smelters, advises no decision will be made regarding future development until the survey is completed. But the fact that the C.P.R. controlled organization considers it worth while to engage in such a test is in itself of wide interest to mining men.

Revival of the Rossland camp now would be a one-company proposition, as the ground from White Bear to Centre Star Gulch, including White Bear, Le Roi, Le Roi No. 2, Josie, War Eagle, Centre Star, Nickel Plate, Virginia and farther east to Columbia & Kootenay, is now in possession of Consolidated.

$1 Million a Mile

The old Rossland camp has about 85 miles of workings, so that the yield has been about $1 million to the mile. During the 90's, the Le Roi, one of the most famous mines in the district, was sold to the Whittaker Wright interests of London by the Spokane owners, who got a price of $5 millions. Some of this money was spent on Spokane building development and the rest went into development of the Sullivan mine in East Kootenay, which later became the mainstay of the Empire's largest smelting enterprise at Trail.

George Turner, one of the Spokane group to benefit from the transaction, was soon afterward elected to the United States Senate representing the then powerful Populist party. Later, the War Eagle property was sold to the Gooderham & Blackstock group in Toronto for $700,000, most of which went to H. L. Frank of Butte, Montana, and Patsy Clark, of Spokane. The Centre Star was sold for $2 millions.

In spite of the fabulous returns from the Rossland mines in the long ago there are many old-timers who believe that Smelters may be able to produce on a large scale again from the long neglected property right at its back door. What might have been unprofitable a few years ago may now be well worth while as a result of the higher price of gold and the advance in mining methods.

Mining Enquiries

Buffalo Ankerite

I am at a loss to understand why my Buffalo Ankerite shares have declined so much since their peak last year. Will you please discuss for me the factors in the situation, as you see them?

The decline in the price of the shares of Buffalo Ankerite Gold Mines is probably attributable in part to both the decline in earnings from $1.30 per share in 1937 to $1.13 in 1938 and to the fact that ore reserves showed a drop in both total tonnage and average value last year. In fact, ore reserves at the end of 1938 were just a little over 50% of those at the end of the previous year.

While profits showed a further decline in the first quarter of 1939, and lower production in the second quarter indicated that this trend might be continued, the picture is not altogether unfavorable. Opening up of new levels is just getting under way and a higher grade of ore may be opened up than is being treated in the mill at present. Ore reserves in the current year can be expected to show very substantial gains if the new levels turn out as preliminary diamond drilling indicated.

The whole future of the company seems to be tied up with what results will be obtained in the exploration at depth and so far there is no indication that results will not be favorable.

Aldermac Copper

What progress is being made on the new sulphur plant at Aldermac Copper Corp.? I hold a considerable number of shares in this company and would appreciate any information you can give me on the current position.

While the building has been completed at Aldermac Copper Corp. for installation of the new sulphur plant, The Financial Post is informed that no equipment has yet been installed and this step is apparently awaiting more favorable conditions in the financing markets.

Development at the present time is being concentrated on opening up of ore at depth. In spite of the large programme of work being undertaken, operating profits are still being made, it is believed. The fact that the price of export copper has been moving higher over the past few weeks should be a helpful factor in the Aldermac situation.

Although a large block of stock is underwritten at a price considerably above the market, 60 cents a share, the money has not so far been forthcoming to complete sulphur plant construction. If the price of copper continues to come up, however, Aldermac shares will likely also rise and the underwritten stock might then be taken up. This would allow completion of the sulphur plant which is the objective of officials at the present time.

Young Davidson

I understand Young Davidson Mines is likely to pay a dividend in the near future. Will you kindly give me some information on current earnings and any indications as to what size the dividend will be?

Operating profits of Young Davidson Mines amounted to $208,040 for the first six months of 1939. As the company is entitled to 20% of operating profits under its agreement with Hollinger, approximately $41,600 would represent Young Davidson's share for the half year although the amount might be slightly less due to any capital expenditures during the period. This is equivalent to a yearly profit of 5.3 cents a share on each Young Davidson share outstanding at the present time.

Ore reserves of the company are very substantial with between 3½ to 4 million tons of ore reported down to the 650-ft. level in February, 1939. At the present milling rate this should suffice the company for somewhat over ten years. At the last annual meeting of the company held on May 19, 1939, shareholders were told that the company should have sufficient funds in the treasury by September, 1939, to declare dividends of about 3 cents per share. As operations have been going along quite steadily, there seems to have been no reason that might postpone this dividend.

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Municipal Finances

Windsor City Council has approved a by-law authorizing purchase of an airport site at $54,000. Dominion Government will contribute to cost of developing terminal facilities. Approval of the Ontario Municipal Board will have to be obtained before the by-law can be implemented.

* * *

Hamilton experienced betterment in tax collections during the first seven months of the current year, in comparison with the same period in 1938. Collections to July 31 were $5,209,562, representing 70.45% of current roll. At the same date last year the comparative figure was $5,190,325.

* * *

Sudbury has exceeded its current relief budget, the city has been notified by the Ontario Municipal Department. Relief deficit might be kept down to $6,000 if the city stays within its budget for the remainder of the year.

* * *

Chatham, Ont., finance committee is investigating the possibility of issuing short-term debentures for current purposes.

* * *

London & Port Stanley Railway had an operating profit of $15,032 for the first six months of the current year, an increase of $1,063 over the profit for the same period last year.

* * *

Winnipeg finance committee has been asked to raise $100,000 as the city's share of public works projects under the Municipal Assistance Act. No specific improvements have been recommended, but the city engineer has been asked to prepare a list of public works eligible under the provisions of the Act.

* * *

Hamilton has reduced its debt by $8 millions during years of controlled expenditures, Mayor William Morrison told council members in presenting financial statements of the commissioner of finance.

* * *

Scarborough Twp. current tax collections for the seven-month period ended July 31 increased $13,750 over those of the same period of the previous year, a report of the township treasurer revealed. Total tax collections amounted to $243,600, compared with $229,850 in 1938.

"Scarborough is in better financial shape at the present time than at any time since it went into default," J. O. Kessack, treasurer, stated.

* * *

Victoria current tax collections increased $23,520 in seven months of the current year over the same period in 1938. Collections to July 31 totalled $744,059, against $720,539.

* * *

Toronto has collected 70.53% of the total tax levy for 1939 in the first and second tax installments, Finance Commissioner George Wilson announced. This represents a 1.72% increase over the same period in 1938. The total collected was $23.8 millions.

* * *

Quebec Province has experienced 91 defaults since 1932, of which 55 were municipal corporations, 29 school corporations, and 7 church trustees. To date 51 corporations involving $12,627,221 have been reorganized leaving in default 20 municipal corporations, 18 school corporations, and 2 church trustees, with principal in default amounting to $2,140,388.99. Only two defaults have occurred since Jan. 1, 1939, the parish of Larouche and Sorel. An attempt has been made in the reorganizations to maintain the same rate of interest and merely extend the time for repayment of the debt. In some cases the rate of interest on the debt has been decreased (except in very few cases the rates were not lower than the market rates) and the same bond maturities were retained. In only three cases has the rate of interest been as low as 3%.

* * *

Toronto assessments show a drop of more than $4.4 millions in 1940, according to a report issued by the city assessment commissioner. Total assessment of $961.1 millions, compared with $965.5 millions in 1939.

* * *

London city clerk's office reports a rise in exempted property values of $1.9 millions since 1929, to $12.2 millions. Assessment of exempt property is 14.6% of taxable assessment. Property owned by the municipality is the largest single item, amounting to $2.8 millions.

* * *

Toronto's outstanding taxes at Aug. 8 totalled $13.3 millions, compared with $14.4 millions at the same time a year ago, Finance Commissioner Wilson reports.

Quebec Will Have Ordinary Surplus

Increased Sales, Higher Tax Bring Larger Gas Tax Receipts

From Our Own Correspondent

MONTREAL.—Quebec's financial report for the year ended June 30 last will show a surplus of ordinary revenue over ordinary expenditure, according to Hon. Martin Fisher, Provincial Treasurer. This is before providing for relief, extraordinary and capital expenditures.

According to Mr. Fisher, revenues will exceed the forecast made by him in his last budget speech. At that time he predicted revenues would exceed $60 millions, as compared with the budget estimate of $57 millions.

Ordinary revenues for the nine months ended March 31 last totalled $41,598,740 and ordinary expenditures $39,054,533, resulting in a surplus on ordinary accounts of $2,544,207. Extraordinary expenditures amounted to $10,856,666 and capital expenditures to $35,574,478, leaving an overall excess of expenditures over ordinary revenues for the nine months of $43,886,937.

Mr. Fisher states the gasoline tax receipts are showing a steady increase.

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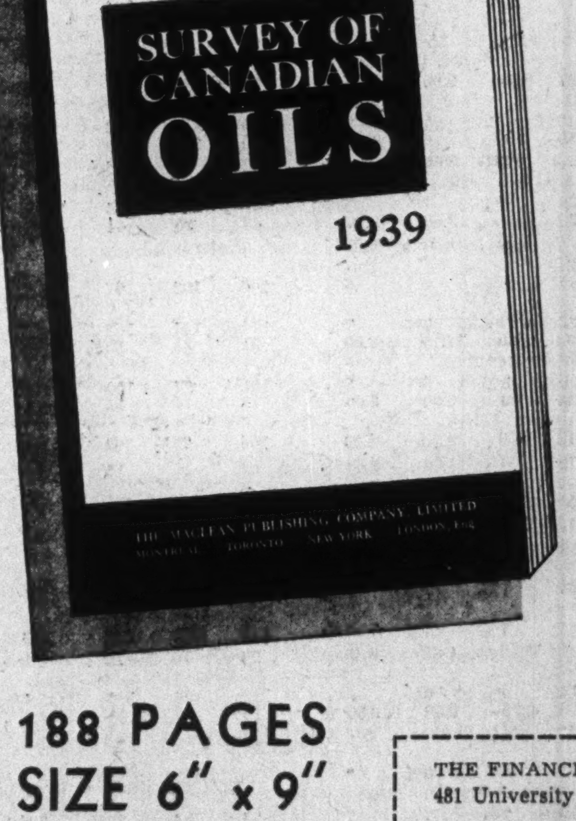
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Dividends for 10 Years Paid by 88 Stocks

By A. D. ELLWOOD
Investment Editor, The Financial Post

There are 67 companies, having 88 stocks, among Canadian industrial, merchandising and utility concerns, that have paid dividends for at least the past 10 years.

This does not include the banks, the trust and loan, mining, nor insurance companies. If these were included the total would go well over 100. Nor does the list given below include all companies with such a record. In some cases, public interest is negligible or records are so incomplete as to make it difficult to be certain as to whether or not the company may qualify.

This seems, however, to be a record that merits attention. That 67 Canadian companies, representing practically all classes of industry, were able to weather the depression of the early 1930's and in many cases previous depressions as well and continue to pay dividends to their shareholders is a remarkable performance.

Investors who held these stocks have had little cause to complain. The market value of their holdings has fluctuated, but the earning power and financial strength has remained and they have obtained their income regularly.

No Guarantee for Future

It is true that ability to pay dividends in the past is no guarantee that payments will continue in the future. As a matter of fact, in more than one case in this list conditions are such as to make continued payment uncertain as reflected in the trend of earnings, financial strength or position in the trade. But it is still true that companies able to come through such conditions as have prevailed over the past 10 years have demonstrated ability to meet most of the problems that can be expected. In other words, selections from this list are likely to cause less worry than when judged by any other single standard.

Financial Post Survey Reveals Steady-pay Record of 67 Firms

Classified according to industry or business, the public utility companies have most representatives in this list. In spite of this the public utility business is not particularly in the favor of investors today. There are exceptions to this but the tendency toward stricter regulation, heavier taxes and depression-born demands for lower rates have taken away some of the old attraction in this industry.

Consumer Industries Lead

Second most popular in this list of long-term dividend payers comes the food industries. This again is logical. People must eat even when many other things have to be given up. The food industries are consumer businesses. The goods they make or sell cannot be used over and over again.

Also making a good showing are the oil and fuel companies. In past years the oil business has been the source of some of the most spectacular investor gains. Demand for gasoline and other petroleum products is continually reaching new peaks. The current trouble seems to be one largely of a dislocation of the supply and demand factors that has resulted in unsettled prices for gasoline in particular. The industry has come through such periods before and may again. In the meantime, the companies in this field have ample financial resources to take advantage of any favorable opportunity.

Textiles, beverages and merchandising, all consumer industries, are also represented by seven, four and five companies respectively. The same reasons are behind this good showing as is the case for the food group. Companies which make and sell goods that go directly into public consumption are less subject to ups and downs than are those that make heavy machinery, for example. And yet the steel industry has five representatives that have paid dividends at least 10 years. Building materials come in with one company, the rubber industry has a representative, as has chemicals. Machinery and equipment, including household equipment, has four companies included, while the balance belong to miscellaneous industries that do not come under any of these classifications.

Consumers' Gas Co. of Toronto boasts the longest unbroken dividend record, extending back 90 years. Like most of the other companies, however, this concern has not paid the same rate during all this period. Of the 88 stocks included here, exactly half are preferreds, the balance being common stocks.

Many Started in 1929

One feature of considerable interest is the number of companies that paid initial dividends in 1928 or 1929, just before the depression, and have been able to maintain payments throughout the intervening years. In the total of 67 companies, there are 23 that have paid for 10 or 11 years which just takes them beyond the 1929 slump.

In the tabulation, the current rate of dividend is the rate now being paid, where a set rate has been established. The payments listed for 1938 and 1937 are for the calendar years and do not necessarily correspond with the amounts deducted from individual companies' income accounts for these years.

		—Dividends Paid—		Calendar Years		Price Range 1938-39			Yield	Earned Per Share				
Company	Class	Years	Current	1938	1937	High	Low	Last	%	1938 $	1937 $	1936 $	Business	Comment
Agnew-Surpass	Pref.	11	7%	7%	7%	111	103	109½	6.4	15.06	16.01	15.22	Manufacture and retailing of shoes.	Earnings stabilized after recovery from depression. Year ended May 31, 1939.
Assoc. Breweries	Pref.	10	7%	7%	7%	115	108¾	115	7.4	54.82	51.85	50.02	Brewers in western Canada and U. S.	Rapid earnings growth after depression slowed down. Financially strong.
Beatty Bros.	1st. Pref.	10	6%	6%	6%	106	90	104	5.7	18.65	33.11	16.61	Farm and household equipment; sell direct.	Farm prosperity important; current year sales lower. Year ends Aug. 31.
	2nd Pref.	10	7%	7%	7%	105	85	..	7.5	18.61	39.90	15.61		
Belding-Corticelli	Pref.	22	7%	7%	7%	141	129	142	5.0	11.30	11.97	12.34	Silk threads.	Controls Canadian market. Profits stable recent years. Year ends Nov. 30.
	Com.	16	$4.00	$4.00	$4.00	97	90	..	4.4	4.97	5.74	6.16		
Bell Telephone	Com.	58	$8.00	$8.00	$7.00	178	146½	175	4.5	8.06	7.73	6.94	Telephones in Ontario and Quebec.	Savings through recent financing equals 75c. a share. Business higher.
B. C. Telephone	Pref.	23	6%	6%	6%	Traded in London				71.65	71.68	70.26	Telephones in B. C.	Controlled by Assoc. Tel & Tel. Shares not active in Canada.
B. A. Oil	Com.	29	$1.00	$1.00	$0.95	23⅛	16¾	22	4.4	1.37	1.43	1.41	Fully integrated oil concern.	Covers dividend from Canadian operations. Recent financing means savings.
B. C. Power	A Pref.	11	$2.00	$2.00	$1.80	34	21¼	27½	7.1	2.00 est.	2.04	1.77	Power, gas, tramways in Vancouver area.	Dividend close to earnings which are relatively stable. Year ends June 30.
Building Products	Com.	11	*0.70	2.00	1.55	19	14	14	4.3	0.77	(New stock)		Building materials.	Record profits indicated this year; particularly interested in residential building.
*Stock split 4 for 1 last December.														
Calgary Power	Pref.	10	6%	6%	6%	99½	83½	98	6.1	7.27	6.66	6.47	Hydro power in Alberta.	Controls Ottawa Valley Power. Business trend up.
Coast Breweries	Com.	10	*0.12	1.17	1.04	1.35	1.00	1.30	9.3	0.14	0.137	..	Holding company for B. C. breweries.	Stock lacks speculative attraction although profit trend up. Year ends June 30.
*Stock split 10 for 1.														
Consumers' Gas	Com.	90	10.00	10.00	10.00	199¾	173	180	5.5	11.55	10.01	10.72	Gas for Toronto.	Exclusive franchise. Earnings insufficient to cover all reserves and dividends. Year ends Sept. 30.
Can. Iron Foundries	N.-C. Pref.	10	Varies	5.00	4.00	70	50	..	9.1	5.23	6.95	6.77	Rail equipment and pipe.	Trying to diversify through rolling mill equipment. Strong financially.
Canada Malting	Com.	11	1.50+	2.00	2.00	38	27	37	5.2	2.50	2.95	4.51	Malt for brewing and distilling industries.	1939 earnings should be close to last year. Exports to U. S. dropped couple of years ago.
Canada Northern Power	Pref.	14	7%	7%	7%	112	103	111	6.3	22.58	23.06	21.34	Hydro power for mines of Ontario and Quebec.	First half of 1939 down 2.36%. Subsidiary of Power Corp. Mining growth aids company.
	Com.	10	1.20	1.20	1.20	20	13½	16	7.5	2.14	2.21	1.97		
Canada Vinegars	Com.	11	1.20	1.20	1.20	17½	10½	11¾	9.5	0.87	1.30	1.23	Vinegar manufacturers.	Year ends Nov. 30. Earnings not as strong as formerly; current year sales maintained.
Canadian Bronze	Pref.	12	5%	5%	5%	106	102¾	105	4.8	24.95	36.07	27.64	Bearings and bushings chiefly for railways.	Supplies Canadian rails under contracts. Prosperity fluctuates with carloadings.
	Com.	11	1.50	1.50	1.37½	41	28½	34	4.4	1.87	2.91	2.08		
Canadian Canners	1st Pref.	12	5%	1.00	*	19	15½	17¼	5.4	1.35	3.79	3.43	Canned foods.	Prospects for better earnings this year; sales gaining. Year ends Feb. 28.
*Former 6% preference converted into 5%.														
Canadian Cottons	N. C. Pref.	28	6%	6%	6%	108	99	104	5.7	3.18	6.20	9.84	Cotton and artificial silk textiles.	Sales up moderately this year. Earnings should be aided by new write-off of plants. Year ends March 31.
Canadian Dredge	Com.	10	Varies	1.00	2.00	35	14	15	7.2	0.64	2.03	2.12	General dredging work.	Business depends on Government contracts; slightly up in first half.
Can. Fairbanks-Morse	Pref.	12	6%	6%	6%	106	98½	100½	5.8	12.41	22.54	9.69	Industrial and automotive equipment.	Linked with U. S. concern. Expects 1939 earnings close to last year.
Canadian Industries	Pref.	12	7%	7%	7%	175	155	174½	4.0	97.13	123.05	101.74	Chemicals, paints, plastics, fertilizers, etc.	Profits up in first half; expect second half to continue gains. Dominates field in Canada.
	B Com.	12	6.00	6.00	9.50	225	178	..	..	*6.07	*7.86	*6.45		
*Combined A and B stocks.														
Canadian Oil	Pref.	31	8%	8%	8%	125	106	..		17.12	13.42	7.03	Oil refining and distribution.	Two 12½c. extras paid so far this year. Attempts to refinance preferred not successful.
	Com.	13	0.50+	0.62½	0.50	20	10	..	5.0	1.27	0.75	d0.14		
Canadian Westinghouse	Com.	34	2.00	2.00	2.00	60	50	..	3.3	2.42	2.44	1.60	Electrical apparatus, air brakes.	First quarter sales down slightly. Maintained dividend in spite of low earnings in depression.
Dominion Bridge	Com.	26	1.20	1.20	1.20	39⅝	21	28½	4.1	1.04	1.29	0.57	Structural steel and machinery.	Dominates field in Canada. Benefits from any construction gain. Year ends Oct. 31.
Dominion Glass	Pref.	26	7%	7%	7%	165	142½	160	4.3	20.48	18.32	15.79	Glassware of all kinds.	New equipment raises profit margins. Year ends Sept. 30.
	Com.	21	5.00	5.00	5.00	115½	105	112	4.4	8.25	6.92	5.38		
Dominion Textile	Pref.									52.57	74.32	85.38	Cotton, silk, artificial silk fabrics and yarns.	Prospects for 1939 business up to last year or better. Refinancing should mean savings. Year ends March 31.
	Com.	16	5.00	5.00	5.00	70	55	70	7.1	3.28	4.84	5.63		
Fanny Farmer	Com.	11	1.50+	1.75	1.75	24	14¾	23¾	6.2	2.35	2.06	1.50	Candy shops in U. S.	Sales and profits up each year since 1932 and reaching new peaks.
Goderich Elevator	Com.	11	0.50	0.50	0.50	Not listed		6½B	..	0.53	0.13	0.31	Grain elevator.	Operations and outlook improving. Large crops mean good business.
Goodyear Tire	Pref.	12	5%	5%	5%	59	51¼	55½	4.4	18.57	11.37	12.64	Rubber goods.	Profits influenced by rubber and cotton prices; slightly lower this year.
	Com.	12	2.50+	7.50	5.00	81¼	52	74½	..	7.50	4.14	4.73		
Guelph Carpet	Pref.	10	6½%	6½%	6½%	Not listed		101B	..	7.00	19.33	16.59	Carpets and yarns.	Outlook more favorable. Lacks cash resources.
	Com.	10	1.00	1.00	1.00	Not listed		10B	10.0	0.07	1.83	1.16		
Humberstone Shoe	Com.	13	1.00	1.75	2.00	25	12	12	8.3	1.36	2.52	2.88	Children's footwear.	Profit trend down; business hurt by labor troubles last year. Year ends July 31.
Imperial Oil	Com.	25	0.50+	1.25	1.25	19⅝	14	15⅛	8.2	0.96	0.98	0.95	Oil refining and distribution.	Income largely from subsidiary dividends. Dominates Canadian oil industry.
Imperial Tobacco	Pref.	28	6%	6%	6%	8	6½	7⅝	3.8	3.92	3.93	3.67	Tobacco.	Dominates Canadian field. Earnings unusually stable.
	Com.	28	0.40+	0.62½	0.62½	17	13¼	16¾	3.7	0.63	0.64	0.59		
Intercolonial Coal	Pref.	12	8%	8%	8%	126	119⅜	124	6.7	32.64	34.40	33.40	N. S. coal mines.	June dividend on common $2 against former $3 rate. Large cash resources.
	Com.	12	4.00+	8.00	7.00	55	45	40.45	10.4	4.88	5.32	5.12		
Inter. Petroleum	Com.	21	1.50+	2.50	2.50	31½	20⅜	22	9.0	1.98	1.81	1.65	Oil production in South America.	June bonus 25c. against 50c. Opening new oil fields but political uncertainties operate against speculative attraction.
Laura Secord	Com.	13	0.80	*8.00	3.00	13⅛	10¾	13	6.2	†0.81	0.74	..	Retail candy chain.	Nine months earnings up. Relatively stable operations. Year ends Sept. 30.
*Stock split 5 for 1 and $5 bonus paid. †On new stock.														
Loblaw Groceterias	A	11	1.00+	1.25	1.25	26½	19¼	26½	4.9	1.49	1.42	1.33	Grocery chain in Ontario.	Five successive years of higher sales and earnings continuing in current period.
	B	11	1.00+	1.25	1.25	24½	21	24¼	5.2	1.49	1.42	1.33		
Maritime Tel & Tel.	Pref.	22	7%	7%	7%	17⅜	16	17⅜	4.0	2.52	2.61	2.48	Telephones in N. S. and P. E. I.	Volume of business improving slowly.
	Com.	28	0.70+	0.70	0.80	17	15¼	16	4.5	0.73	0.78	0.73		
J. S. Mitchell	Pref.	13	7%	7%	7%	113	109	112	6.2	24.71	36.51	23.23	Wholesale and retail hardware and supplies.	Ably managed and has established position as supply house in Eastern Townships, Que.
Montreal Cottons	Pref.	29	7%	7%	7%	104¼	98	100	7.0	9.06	9.53	13.51	Cottons, rayons, etc.	Sales up in early 1939 months. Preferred dividend not always earned.
Montreal L., H. & P.	Com.	24	1.50	1.50	1.50	37¼	25⅝	32¾	4.6	1.91	1.75	1.75	Power and gas in Montreal area.	Earnings somewhat up for 6 months. Stable record but little prospect of dividend increase.
Montreal Tramways	Com.	27	6.00	9.00	9.00	102	64	66	9.0	d6.79	d6.24	9.09	Tramways in Montreal area.	Earnings trend unsatisfactory and dividend reduced. Bond maturity in 1941.
Moore Corp.	A Pref.	10	7%	7%	7%	179	135	172	4.0	35.22	41.76	36.78	Business forms and small boxes.	Sales and earnings up for 6 months. B preference convertible.
	B Pref.	10	6%	6%	6%	230	208	230	3.1					
McColl-Frontenac	Pref.	12	6%	6%	6%	101	80	88½	6.7	9.67	15.89	9.84	Oil refining and distributing.	Heavy losses in Trinidad written off; 1939 sales likely near 1938. Year ends Jan. 31.
National Breweries	Pref.	30	7%	7%	7%	45½	38	45	3.8	16.33	16.66	15.98	Large Quebec brewer.	Earnings relatively stable although taxes have adverse effect this year.
	Com.	20	2.00	2.00	2.00	43	34	41	4.9	2.24	2.29	2.19		
N. B. Telephone	Com.	30	0.50	0.52½	0.52½	Not available				0.51	0.59	0.55	Telephone system in New Brunswick.	Earnings stable; plans liquidating bank loans through stock rights.
N. S. Light	Pref.	11	6%	6%	6%	107	102	107	5.7	14.89	14.37	19.57	Electricity and gas to one half of Nova Scotia.	Earnings generally steady; expanding plant.
Ogilvie Flour	Pref.	38	7%	7%	7%	170	145	163	4.3	39.63	53.11	46.54	Flour milling.	Outlook for milling improving; investment income around 50% of total. Year ends Aug. 31.
	Com.	36	1.00	*4.75	8.00	31	23	26¼	3.8	1.09	1.54	..		
*Stock split 8 for 1 in 1938.														
Ottawa Light	Pref.	15	5%	5%	5%	101½	97	100	5.0	14.66	16.14	15.96	Power and gas in Ottawa and Hull.	Earnings up last year but trend stable.
	Com.	23	1.00	6.00	6.00	15	14	15	7.1	1.17	1.35	1.26		
*Stock split 4 for 1 in 1938.														
Page-Hersey Tubes	Com.	13	4.00+	4.25	4.00	105	77½	102	3.9	4.23	5.92	4.25	Industrial pipes and tubing.	Leads its field in Canada; outlook improving in industry.
Quebec Power	Com.	19	1.00	1.00	1.00	19	14	16½	6.0	1.43	1.36	1.41	Power, gas, street railways.	Six months earnings down slightly; controlled by Shawinigan.
Riverside Silk	A Pref.	11	2.00	2.00	2.00	28	21	22½	7.5	2.63	2.64	2.70	Silk yarns and broadsilk.	Cleared off arrears in 1937; public interest limited.
Rolland Paper	Pref.	11	6%	6%	6%	99	92½	94	6.3	8.46	9.79	9.50	Fine papers.	Has demonstrated steady earning power.
Royalite Oil	Com.	10	1.00+	1.50	1.50	49	32½	35	4.3	1.60	1.15	1.06	Crude oil in Alberta.	Subsidiary of Imperial Oil. Largest unit in Turner Valley field.
Russell Industries	Pref.	22	7%	7%	7%	125	103	123	5.7	27.62	11.11	12.63	Controls Canada Cycle and Acme Screw.	Earnings improve in recent years. Partly dependent on auto industry.
St. Lawrence Flour	Pref.	25	7%	7%	7%	140	115	115	6.0	d3.13	19.53	18.73	Flour milling.	Earnings and outlook better this year. Year ends Aug. 31.
Shawinigan	Com.	32	Varies	0.85	0.80	23	16	19¼	4.1	1.22	1.34	1.03	Power and chemicals.	Six months earnings up. Well established and chemical interests growing.
Southern Can. Power	Pref.	19	6%	6%	6%	112	103	111	5.4	11.09	11.05	9.83	Electric power in Eastern twps., Que.	Nine months earnings down substantially. Territory reasonably good. Years ends Sept. 30.
	Com.	16	0.80	0.80	0.80	15	10	11	6.2	0.90	0.90	0.68		
Standard Fuel	Pref.	10	6½%	6½%	6½%	Not listed		48	13.5	3.24	3.10	11.27	Fuel in Toronto.	Operations depend largely on weather but earnings trend not entirely good.
Stedman Bros.	Pref.	13	6%	6%	*	Not listed		56½	5.3	46.96	44.71	..	Variety store chain.	Trend of sales and earnings upward and expanding chain.
*Present 6% stock replaced former 7% issue.														
Steel Co. of Canada	Pref.	29	7%	7%	7%	75	53	73½	2.3	4.24	5.81	4.01	Steel.	Largest Canadian steel company; working on plans for new plant. First half profits down slightly but outlook improves.
	Com.	23	1.75+	3.75	3.75	77¾	56	76	5.0					
Supertest Petroleum	Com.	13	1.00+	1.50	1.50	39	30	33½	4.4	3.93	3.90	3.23	Oil distributor.	Gasoline prices weak although volume holding well.
	Ord.	13	1.00+	1.50	1.50	38¾	34	34½	4.4					
G. Tamblyn	Pref.	11	5%	5%	5%	54	52	52½	4.7	21.18	23.39	18.13	Drug chain.	Six months sales and profits up but earnings stable in recent years.
Tuckett Tobacco	Pref.	26	7%	7%	7%	170	153	169	4.1	22.01	26.09	31.51	Tobacco.	Strong and stable position; controlled by Imperial Tobacco. Year ends March 31.
Western Grocers	Pref.	13	7%	7%	7%	116	103¼	110	6.7	14.70	17.81	16.45	Wholesale groceries.	Good earnings record in spite of poor conditions in western Canada.
George Weston	Pref.	11	5%	5%	5%	95	70	95	5.2	30.92	28.61	28.59	Bakery and confectioner.	Earnings stable although first six months up.

Note:—d=deficit.

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